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UNITED STATES FIDELITY & GUARANTY COMPANY with which is affiliated FIDELITY & GUARANTY FIRE CORPORATION



HOME OFFICES BALTIMORE

F. & G. FIRE

THURSDAY, MARCH 10, 1933

Sell Residence Burglary Insurance



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
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THE FIDELITY AND CASUALTY COMPANY

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Security for American Property Owners Since 1841



Security plus A STEADY COURSE

The founders of the SECURITY INSURANCE COMPANY of NEW HAVEN who laid the keel, launched, and set the course for this New England organization, and those who have piloted the Company to its present position, have always followed a "Conservative-Progressive" policy.

The conservatism is a New England heritage and the progressiveness comes from the desire to build a lasting American Stock Fire Insurance Company — one affording ample protection to its policyholders and capable of serving the needs of its agents.

Do Business with a Strong American Stock Company operating through Responsible Agents.

HOME OFFICE
NEW HAVEN, CONNECTICUT

1841

Security
Insurance Company
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.
ROCKFORD, ILLINOIS

The East and West
Insurance Company
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CALIF.

The Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

PUBLIC ENEMY ^{Nº} 7

Burglary

COMMON ENEMIES TO GUARD AGAINST	
1 FIRE	9 LIGHTNING
2 MOTOR ACCIDENT	10 MARINE DISASTER
3 WINDSTORM & TORNADO	11 RAILROAD WRECK
4 PERSONAL ACCIDENT	12 FALLING AIRCRAFT
5 SICKNESS	13 EXPLOSION
6 DAMAGE CLAIMS	14 RIOT or CIVIL COMMOTION
7 BURGLARY	15 SQUADRAKE
8 ROBBERY	16 FORGERY
	17 DISHONESTY



AT YOUR SERVICE!

• Burglars are crafty. Your silver service is always in jeopardy. Insurance cannot prevent theft, but it will remove the constant dread of loss that so often impairs the fullest enjoyment of your possessions. . . .

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co.	ORGANIZED 1853	Milwaukee Mechanics' Insurance Company	ORGANIZED 1852
The Mechanics Insurance Co. of Philadelphia	" 1854	National-Ben Franklin Fire Insurance Co.	" 1866
Superior Fire Insurance Company	" 1871	The Concordia Fire Insurance Co. of Milwaukee	" 1870
The Metropolitan Casualty Insurance Co. of N.Y.	" 1874	Commercial Casualty Insurance Company	" 1909

WESTERN DEPARTMENT
844 Rush Street, Chicago, Illinois
CANADIAN DEPARTMENT
461 Bay Street, Toronto, Canada

HOME OFFICE
and
EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 Bush Street, San Francisco, Cal.
SOUTHWESTERN DEPT.
912 Commerce Street, Dallas, Texas

FIRE

MARINE

CASUALTY

SURETY

WEEKLY
NEWSPAPER
OF
INSURANCE

The NATIONAL UNDERWRITER

Forty-second Year—No. 10

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 10, 1938

\$4.00 Per Year, 20 Cents a Copy

Argus Fire Chart Out Early with Valuable Data

Splendid Compilation Work Overcomes Difficulties Caused by Late Reports

Argus Fire Charts will be delivered to customers this week end, with Dec. 31 figures on practically all fire and marine companies, stock, mutual, reciprocal and Lloyds. This represents a remarkable achievement of the compilation department of THE NATIONAL UNDERWRITER, inasmuch as many companies do not file their annual statements until March 1. This year in particular statements were later than usual but the charts will be delivered earlier than last year.

More than half of the statements were received after Feb. 28, and this is particularly true of some of the larger groups. The compilation department works on Saturday afternoons and Sundays and gets its mail on Sunday by special arrangement with the post office.

Charts of Great Value

The Argus Fire Charts are of great value, particularly this year, when interest is keen in the showings of all the companies. The information is very complete. A ten-year showing is given for all of the stock companies that have been in business that long, and five-year showings for the mutuals writing considerable volume. For stock companies the financial showing gives admitted assets, unearned premium reserve, total liabilities except capital, surplus to policyholders, and surplus less capital. On the operations the showings are net premiums written, premiums plus interest and rents, losses paid including adjustment expenses, dividends paid, underwriting expenses paid, premiums earned, losses incurred, including adjustment expenses, and underwriting expenses incurred. The ratios given are losses paid and incurred, and underwriting expenses paid and incurred.

Much Information Included

For mutuals and others the showings are admitted assets, unearned premium reserve, and surplus to policyholders, with premiums written and the other figures on transactions the same as for stock companies, with dividends to policyholders instead of to stockholders, and with the same showing of ratios.

The divisions of companies in the chart are stock companies, including foreign and domestic, the general mutuals, factory mutuals, and farm mutuals, reciprocals and inter-insurance exchanges, both fire and automobile, and Lloyds.

An extremely useful department is a listing showing where companies are licensed. This is of importance to all agents who have to handle lines away

(CONTINUED ON PAGE 44)

Gain of 9 Percent in 1937 Fire Premium Total

Figures prepared for the 1938 Argus Fire Chart show a grand total of \$821,511,235 written by stock fire insurance companies during 1937, compared to \$751,801,588 in 1936, a gain of 9 percent. The loss ratio is approximately the same. The figures represent all but five small companies whose premiums aggregate around \$150,000.

Motor vehicle premiums show a 21 percent increase, totaling \$206,203,954 in 1937, or \$35,881,000 more than the 1936

total. The loss ratio on motor vehicle business jumped 10 percent to 47.8 percent. Hail business showed an 83 percent increase with total premiums of \$8,483,000, an increase of \$3,858,000. Inland marine also showed a substantial gain of 17 percent with a total of \$44,668,000. The loss ratio on tornado showed a decided improvement, going from 45.4 percent in 1936, to 27.7 percent in 1937. The totals in greater detail follow:

Stock Fire Companies Experience—1937

	1937			1936		
	Net Premiums	Losses Pd.	%	Net Prem.	Losses Pd.	%
Motor Vehicle	\$206,203,954	\$ 98,592,774	47.8	\$170,322,604	63,106,855	37.1
Ocean Marine	37,950,305	23,204,363	61.1	34,130,932	19,363,688	56.7
Tornado	38,855,594	10,772,024	27.7	35,649,222	16,198,941	45.4
Inland Navigation	44,668,840	16,877,966	37.8	37,969,107	15,666,289	41.3
Aircraft	772,070	282,086	36.5	596,124	194,972	32.7
Earthquake	1,221,801	258,593	21.2	1,014,008	50,420	5.0
Sprinkler Leakage	2,037,246	672,289	33.0	1,883,311	959,894	51.0
Hail	8,483,876	4,280,301	50.5	4,625,018	2,288,925	49.5
Riot, Civil Commotion and Explosion	7,529,780	978,576	13.0	3,806,265	516,863	13.6
Rain and Flood Water Damage, Frost and Freeze and Miscellaneous	1,541,647	480,562	31.2	871,371	383,421	44.0
Total Accessory Lines	\$349,265,113	\$156,399,534	44.8	\$290,867,962	118,730,168	40.8
Fire	472,246,122	171,240,374	36.3	460,933,626	178,894,491	38.8
Grand Total	\$821,511,235	\$327,639,908	39.9	\$751,801,588	297,624,659	39.6

Home Office Remittances in 1937

The net balances on the remittances to and from home offices by foreign companies operating in the United States are shown below for 1937 and 1936. The minus sign indicates a net balance remitted to the home office while the plus sign indicates a net balance received from the home office. The majority of the companies remitted more to their home offices than they received in 1937. These figures are taken from advance compilations for the 1938 Argus Fire Chart published by THE NATIONAL UNDERWRITER.

Note: Amounts shown are net. — is remitted; + is received.

	1937	1936
Alliance, Eng.	-161,334	-158,679
Atlas Assur.	-231,998	-287,752
Baltica, Copenhagen	-115,000	-85,265
British Genl.	-43,949	-46,763
British & Foreign	-206,187	-227,614
Brit. Amer. Assur.	-123,232	-95,175
Caledonian	-26,656	-135,124
Canadian, Winnipeg	-7,922	-8,788
Canton, Hong Kong	-22,000	-1,624
Century, Edinburgh	-172,290	+154,913
Christiania Genl.	-416,948	-24,488
Coml. Union, Eng.	-1,045,032	-773,385
Eagle Star	-52,935	-72,761
Fonciere, Paris	-3,384	+19,259
French Un. & Univ.	-325,034	-78,582
Fuso M. & F.	-24,616	-24,295
General, Paris	-162,123	+10,954
General, Trieste	+802,589	+41,794
Halifax Fire	-95,000	-90,000
Indemnity Marine	-28,191	-38,685
Jupiter General	-34,812	-9,375
Law, Union & Rock	-118,963	-117,718
Liverpool & L. & G.	-1,460,619	-1,695,051
London Assurance	-343,371	-305,928
London & Lanc.	-528,167	-609,458
London & Prov. Mar.	-5,857	-6,397
London & Scottish	-55,634	-55,593
Marine, London	-634,557	-654,309

	1937	1936
Maritime, Liverpool	-32,079	-79,476
Meiji, Tokio	-62,009	-112,696
Netherlands	-4,847	-5,366
New Zealand	-41,552	-157,436
North Brit. & Merc.	-561,201	-548,645
Northern Assurance	-622,800	-386,889
N. China, Shanghai	-184,386	+10,643
Norwich Union	-182,442	-703,076
Ocean Marine	-29,557	-63,214
Pacific Coast	-49,039	+199,814
Palatine, London	-177,988	-120,087
La Paternelle	+548,280	.....
Pearl Assurance	+1,612,293	+630,543
Phoenix Assurance	-521,446	-472,658
Reliance Marine	-24,076	-59,219
Royal, Eng.	-1,164,672	-1,748,773
Royal Exchange	-152,541	-174,168
Scottish U. & N.	-170,795	-1,322,425
Sea, Liverpool	-342,162	-351,950
Skandia, Stockholm	-10,282	-110,282
Skandinavien	-126,060	-180,271
South British	-81,441	-47,161
Standard Marine	-186,923	-269,697
State, England	+19,040	-114,859
Sun, London	-455,109	-634,551
Swiss Fire & Life	+99,697	+704
Swiss Reinsurance	+1,143	-5,487
Switzerland Genl.	-65,384	-99,804
Thames & Mersey	-20,163	-57,484
Tokio M. & F.	-249,650	-497,149
Union Assur., Eng.	-97,822	-99,511
Union, Paris	+5,912	+106,191
Union & Phenix	-62,650	-120,394
Union, Canton	-126,949	-109,094
Union Marine	+7,977	-13,019
Urbaine, Paris	-290,276	-83,280
Western Assurance	-170,575	-247,078
Yang-Tsue, Sh'ghai	+6,946	-63,401
Yorkshire, England	-108,089	-113,379

Blanks Committee to Meet

W. A. Robinson, actuary of the Ohio department, has called a meeting of the blanks committee of the National Association of Insurance Commissioners, of which he is chairman, in New York May 2-4.

S. M. Buck Manager Great American in Western Office

G. D. Gregory As Secretary Is Second in Command in the Department

Announcement was made this week that S. M. Buck of Chicago, western manager of the Fireman's Fund group, is transferring his allegiance to the Great American group and in that capacity will act as manager of the western department succeeding the late C. R. Street. Mr. Buck during the time he has served the Fireman's Fund has grown mightily in business and insurance stature until today he is recognized as one of the outstanding figures in the western insurance domain. He is sales-minded, is an excellent administrative officer, personally popular and believes in building an efficient organization.

Gregory Continues Secretary

G. D. Gregory, secretary of the Great American group, will continue in that capacity and will be second in command in the western department. Mr. Gregory since taking his post in Chicago has given evidence of his careful training. He is a conscientious worker. He was schooled at the home office of the Great American, occupying various positions until he became one of the chief underwriters and then was sent into the field, being state agent for New Jersey. The Great American owns the American National Fire of Columbus and Mr. Gregory was shifted to the head office of that company as vice-president and its chief operating officer.

Mr. Buck, like his predecessor, Mr. Street, is a native of Mississippi. He was born at Columbus in that state, April 23, 1885, and therefore is just in the prime of life. His father was a clergyman and when Mr. Buck was 12 years of age his family moved to Texas where he was educated. After he left college he entered newspaper work and later became interested in a local agency at Corpus Christi, Tex. His parents still reside at Austin, Tex.

Buck Enters Field Work

In 1911 he was appointed special agent in south Texas, serving Texas companies, then the Northern Assurance and finally the National Fire of Hartford. He won his spurs while with the National and gave evidence of that superior ability that has been manifested in his work. In 1919 he was transferred by the National to Richmond, Va., to supervise Virginia, Maryland and the District of Columbia as state agent. After two years in that field he was called to the home office as agency superintendent, being given supervision over the Middle Department states and the eastern provinces of Canada.

When the National Fire organized the Transcontinental in 1925, H. G. B. Alex-

(CONTINUED ON PAGE 51)

Move to End Final Phase of Missouri Case

Compromise Settlement of State Court Rate Litigation Is Seen

JEFFERSON CITY, MO.—Circuit Judge Sevier has under advisement a stipulation of counsel for the contending sides that is expected to bring about an early termination of the state case involving the 16½ percent rate increase put into effect by the companies June 1, 1930, in which the Missouri supreme court recently directed that all of the \$1,786,000 of premiums impounded by the Cole county circuit court should be returned to policyholders.

The stipulation submitted at a brief hearing March 5 provided that the insurance department will withdraw its motion to require the companies to pay 6 percent interest on the impounded funds and to replenish the funds.

On their part the companies agree not to take an appeal from the Missouri supreme court decision.

The stipulation was signed by Attorney Walter H. Eckert of Eckert & Peterson, Chicago, and former Attorney-general J. T. Barker and Floyd E. Jacobs for the state. Attorney-general McKittrick advised the court that he saw no reason why the stipulation should not be submitted.

It is anticipated that the supreme court's mandate ordering the transfer of the impounded funds from the custody of the Cole county court to the Missouri department will be received this week.

Appeals from the fees allowed by Judge Sevier are now pending in the supreme court. Total expenditures approved by Judge Sevier amount to \$135,000, including about \$90,000 in fees for Circuit Clerk Guy M. Sone as custodian of the funds and to T. S. Mosby as special counsel.

STATUS OF R. J. FOLONIE

Attorney R. J. Folonie of McKinney, Folonie & Grear, Chicago, who has been the chief counsel for the companies in the long Missouri rate case controversy from 1922, is not functioning in this particular phase of the negotiations. Mr. Folonie states that he eliminated himself from the case insofar as any connection with a settlement is concerned. So far as litigation in connection with the case is concerned his status is unchanged.

Mr. Eckert has been serving the committee, headed by E. A. Henne, vice-president America Fore, that has been negotiating with the Missouri authorities concerning a compromise settlement.

Would Increase Tax 1 Percent

WASHINGTON — Taxes on insurance companies will be increased from 15 to 16 percent under the new revision of the revenue laws reported to the House by the ways and means committee, which explained that this is the only change of substance to be made in the insurance tax provisions of the present law.

The tax is to be computed on the "special class net income" instead of the "normal-tax net income," but except for the change of designation made in order to have the insurance section terms correspond to those in the general corporation tax provisions, the net income is to be calculated as at present.

Section 207, applying to mutual companies other than life, has been rewritten so as to make it definitely a tax-imposing section, but the changes are purely technical.

Positions of Leaders on Score of Assets Is Shown

Several interesting changes take place in the new ranking of fire companies on the head of admitted assets, based on the 1937 annual statement. The exhibit was prepared by the compilers of the Argus Fire Chart of THE NATIONAL UNDERWRITER, which will be available soon. Hartford Fire resumes second place, the position it had held for several years up until 1935.

Aetna Fire, whose premium writings went sharply ahead last year, due principally to a big increase in automobile business, advanced to seventh place. General Exchange went up a notch, as did the St. Paul, after having dropped back one place the previous year, due to a readjustment following the termination of a large amount of automobile business.

Springfield F. & M. made a gain of two positions and Travelers Fire con-

tinued its upward march, going into 17th place. Travelers Fire and General Exchange have had a remarkable record in the past few years. Automobile of Hartford advances two places and now ranks 18. Queen, Connecticut Fire and Royal each go ahead on the scale. The Federal of New Jersey advances three notches and the Pearl goes ahead eight places. New Hampshire, National Union, North British & Mercantile, Swiss Reinsurance and Pennsylvania Fire are others that improved their relative positions.

The ranking is of those stock fire companies with assets of \$15,000,000 or more. This year 40 companies are in this category, whereas a year ago there were 44.

The Argus Fire Chart itself shows the ranking of the 85 leading companies, the first 40 being as follows:

Admitted Assets Dec. 31, 1937	Comparative Standing for Each Year									
	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928
Home	\$115,049,737	1	1	1	1	1	1	1	1	1
Hartford Fire	101,516,074	2	4	3	2	2	2	2	2	4
North America	98,695,130	3	2	2	3	3	3	3	3	5
Continental	86,037,747	4	3	4	4	4	4	4	4	3
Fidelity-Phoenix	67,029,370	5	5	5	5	5	6	6	6	6
Phoenix, Ct.	57,936,856	6	6	9	9	10	11	11	11	11
Aetna Fire	50,580,998	7	9	6	6	6	7	7	7	7
National	48,198,014	8	7	8	8	8	9	9	10	10
General Exchange	47,012,323	9	10	16	17	24	36	41	40	39
Great American	46,447,093	10	8	7	7	7	8	8	8	8
St. Paul F. & M.	39,649,094	11	12	11	11	14	16	15	14	16
Fireman's Fund	39,107,472	12	11	10	10	11	12	12	12	12
Springfield F. & M.	32,274,023	13	15	13	14	13	13	13	13	13
Firemen's	31,994,577	14	13	12	12	9	10	10	9	9
United States Fire	30,301,114	15	14	14	15	15	15	16	16	14
American	29,015,656	16	16	15	13	12	14	14	15	15
Travelers Fire	24,556,105	17	22	24	24	27	33	36	42	44
Automobile	24,548,982	18	20	23	26	23	23	25	25	23
Boston	22,709,002	19	19	18	21	18	18	19	21	19
Niagara	22,098,534	20	17	17	20	19	21	21	19	18
Queen	21,905,504	21	23	19	19	17	19	20	22	22
Connecticut Fire	21,623,234	22	26	25	22	26	27	27	28	30
Royal	21,590,735	23	27	20	18	16	17	17	18	21
North River	21,292,387	24	18	21	27	22	20	18	26	20
Fire Association	20,974,727	25	25	22	23	21	22	22	17	29
Federal	19,635,856	26	29	30	29	30	31	34	37	42
National Liberty	19,252,963	27	24	28	30	29	26	24	20	17
Franklin Fire	19,214,892	28	31	26	28	25	28	23	24	28
L. & L. & G.	18,462,686	29	31	27	25	20	24	26	29	31
Glens Falls	17,804,440	30	28	32	34	35	29	28	27	26
Pearl	17,401,245	31	39	45	47	57	44	44	44	44
New Hampshire	16,806,445	32	35	34	31	31	32	30	32	33
Westchester	16,711,421	33	32	31	32	28	25	38	41	34
National Union	16,132,933	34	38	35	38	37	39	32	23	24
Merchants, New York	15,769,169	35	34	36	41	43	46	42	46	43
North Brit. & Mercantile	15,762,771	36	42	38	36	33	34	33	33	35
Swiss Reinsurance	15,608,924	37	44	42	39	66	61	66	64	62
Hanover	15,527,853	38	33	33	37	34	30	29	30	25
Pennsylvania Fire	15,492,775	39	41	39	33	36	35	35	34	37
Northwestern National	15,096,465	40	40	34	35	32	43	39	38	41

THE WEEK IN INSURANCE

Samuel M. Buck, western manager Fireman's Fund, succeeds the late C. R. Street as vice-president and western manager of the Great American group.

Page 5

Fire premiums increase 9 percent in 1937, totals reported.

Page 3

Compromise settlement of the final phase of the prolonged Missouri fire insurance rate litigation is now in sight.

Page 4

Tennessee agents approve new constitution and by-laws at meeting in Nashville at which John D. Saint, the new manager, takes office.

Page 9

W. D. Milne gives comprehensive treatment of the flood problem in an address at Newark.

Page 9

Heaviest losses in the southern California flood are expected to arise under comprehensive automobile policies and personal property floaters.

Page 4

Ultimatum delivered to Boston Board in regard to merger with newly formed New England Fire Insurance Rating Association.

Page 14

London Lloyds resumes writing new business in Illinois.

Page 15

Minnesota agents to stress automobile rate situation at mid-year meeting March 22-23.

Page 6

John H. Camlin, veteran local agent of Rockford, Ill., and former president Illinois chamber of commerce, is dead.

Page 52

S. D. McComb nominated for president of National Fire Protection Association in slate to be voted on at annual meeting in Atlantic City May 9-12.

Page 46

Underwriting and investment exhibit of fire insurance companies for 1937.

Page 5

J. J. Ferguson is appointed assistant western manager of the Fireman's Fund.

Page 8

Effort to simplify company liquidations made by Superintendent Pink of New York loses in case before U. S. Supreme Court.

Page 5

Filing of the safe driver reward plan is now made in New York, the bureau agreeing not to disturb the present rate level.

Page 21

Settlement to the complicated automobile rating situation in Illinois now appears in sight.

Page 19

Blind agent's record cited by Floyd Holdren in Chicago address as showing way to sales success.

Page 20

Frank G. Morris resigns as president of the Standard Surety & Casualty.

Page 20

New York meeting of casualty claim executives gives evidence of great interest in fraud problem.

Page 21

Insurers Seek to Learn Losses in California Flood

Comprehensive Auto Policies and Personal Property Floaters Produce Claims

LOS ANGELES—Insurance losses from the flood in southern California are placed at anywhere from \$100,000 to \$500,000. The estimates are necessarily very rough.

Losses under automobile comprehensive policies are expected to be the heaviest of any flood insurance consequence. Such losses may amount to \$50,000.

Actual fire losses are practically nil. There were few fires following the collapse of buildings or the breaking of gas mains when the buildings were swept away.

Some of the larger business houses in metropolitan Los Angeles, that is Los Angeles proper, Pasadena, Long Beach, Glendale, Santa Monica, Inglewood, Burbank, Beverly Hills and the smaller towns within a radius of ten miles of Los Angeles, are carrying flood insurance, water damage coverage, as a result of their experience three years ago when a similar disaster occurred.

National Chain Stores

Some of the larger national chain stores already have filed claims with the companies for their stores in Los Angeles. It is understood Woolworths and Montgomery Ward have such insurance.

Residents of the exclusive movie and social colonies in Beverly Hills, the Malibu Riviera and the canyons such as Laurel and adjoining ones where the valuation runs up into the hundreds of thousands, practically all are carrying the personal property floater, which covers damage from such perils as flood and landslide. One adjusting firm in one day received reports of losses under four such contracts, but was unable to get into the canyon to make a survey.

But few trucks carrying cargo were caught in the rising waters, and railroad trains escaped practically unscathed. A few freight cars were washed away, but with little loss to shippers.

Companies are getting reports of automobiles swept away without a trace of them being found. Other cars were in garages or on the streets and were covered with mud and debris.

Time Is Required

The full extent of the losses to insurers will not be known for at least two weeks, nor will the preliminary compilation of data be completed for another five or six days. In the territory south of Los Angeles, and east of it, that is in Orange, Riverside, and San Bernar-

(CONTINUED ON PAGE 44)

Oklahoma City Insurers Exchange urges companies to purchase plate glass from concerns that buy only stock insurance.

Page 20

Work of Frederick Richardson in connection with the United States branch of the General Accident reviewed.

Page 22

E. Vernor Roth, surety underwriter for the Ocean Accident, becomes assistant secretary of the Towner Rating Bureau.

Page 19

National Surety announces the new sales building program for agents.

Page 22

Anti-direct writing campaign started in Boston at hearing on bill to limit domestic casualty mutuals' surpluses.

Page 22

Insurance History Was Made in Cincinnati

By GEORGE E. WOHLGEMUTH

Much interest is being taken in the celebration of the 100th anniversary of the Cincinnati Fire Underwriters Association April 18. In connection with this event local agents have been interested in gathering insurance history of the city. Cincinnati has always been an important insurance city and was the seat of conspicuous movements in fire insurance in the early days. For instance, the Protection Fire of Hartford opened what was probably the first general agency in the United States in Cincinnati in 1825 with Ephraim Robbins as manager. He had been a Boston exporter and later conceived the idea of opening an insurance agency. He built up a successful business from Cincinnati and became a real power in the company in the central west.

Advent of J. B. Bennett

One day a young man named J. B. Bennett came to Mr. Robbins at his office on the river front and asked for a job. He had come to this country from England when a child. He swept the office daily and assisted Mr. Robbins in the details of office work, receiving a solid knowledge of the business through this association. Unfortunately, Mr. Robbins died in 1845. He was succeeded by his son, William Burnett Robbins. The Protection sustained some heavy losses in the east, failing in 1854.

In 1852 the Aetna Fire had a serious loss at Brandon, Miss. Mr. Bennett was there settling losses for the Protection. He discovered errors in the adjustment and made such fine settlements that the Aetna was attracted by his skill and offered him its general agency, which he accepted in 1853.

Mr. Robbins was considered a great pioneer in the business and he had been a source of much inspiration to the young J. B. Bennett. With the Aetna, Mr. Bennett worked out his ideas with great success. He developed the first experience on risks by classifications which was the forerunner of the rating schedules which are in use today. Mr. Bennett was the first to evolve the idea of the modern agency system of recording agencies, he having changed the plan from a subagency system to a recording agency system, increasing the Aetna's business tremendously.

Alexander Stoddart's Contribution

Alexander Stoddart, who went with Mr. Bennett in 1853, originated the present daily report plan. He also conceived the idea of the underwriters' agency under which member companies could assume a large line and each member retain its share of the liability. Previously, companies would not take more than \$2,500 on one risk, necessitating a multiplicity of policies on a line of any size. Mr. Stoddart went east, organizing the New York Underwriters Agency in 1863. An examiner in the Bennett office, W. H. Martin, and a clerk, D. A. Sanborn, developed the present Sanborn map system.

Under Mr. Bennett's genius, the western department grew to a size where it perhaps was the largest office in the country and it overshadowed the home office. Mr. Bennett wished to do things much his own way and friction developed over the erection of a new building and \$40,000 commissions allegedly due him. In 1870, he left the company and his brother, F. C. Bennett, was appointed to succeed him.

Mr. Bennett was worth \$400,000 at the time and was reputed to be making \$50,000 a year. He at once decided to organize a company of his own. The Sinton building was remodeled at a cost of \$30,000 for the home office. The company was called the Andes, with \$1,000,000 capital. Such was the confidence of local people in Mr. Bennett that the capital was fully subscribed and the

Amazon and Triumph were organized with \$500,000 capital each.

A few of the men who developed under Mr. Bennett, in addition to those named, include I. S. Blackwelder, manager of the Niagara; J. M. DeCamp, general agent Liverpool & London & Globe; George W. Hayes, Sr., Milwaukee, manager of the Western and British America; R. J. Smith, secretary of the Traders of Chicago; Judge Eugene Cary, manager of the German American; A. F. Wilmarth, first president of the Home; Thomas James, general agent of the Hanover; R. S. Critchell and John Critchell, Chicago agents; W. H. Wyman, general agent of the Aetna Fire at Omaha; W. B. Cornell, resident secretary North British; J. S. Gadsen, Cook county manager of the Aetna, and many others.

Before the new companies could get well under way, the Chicago fire of 1871 occurred in which the Andes lost \$400,000. Cincinnati's 21 local companies with \$2,762,000 assets lost \$891,800 and the Kenton of Covington lost \$10,000. The Boston fire the following year crippled the Amazon and Triumph. Mr. Bennett lost his entire personal fortune and local capital was extremely wary of investing in fire insurance companies after those conflagrations. Mr. Bennett died at Indianapolis in 1889, at the age of 60, the later years of his life being practically on a pension from various companies.

Many Local Companies

The large number of local companies with their many agents made competition for business exceedingly keen and the General Board of Underwriters was organized in 1838 in an effort to bring about some order out of the strife. The constitution read: "... after a mutual and free interchange of sentiments on the subject of insurance in the western states and having in view the loose and undefined practice which had hitherto prevailed in regard to the rates of premium and the adjustment of losses and impressed with the importance of adopting a more systematic plan of action," the agents resolved themselves into a board.

The object, according to the constitution, was "to bring together and throw into common stock the knowledge and experience which each possesses for the advantage of the whole and thus to elevate the character of insurance transactions in the west, to discuss, settle and determine the general principles of insurance and to endeavor to establish a uniform practice, both in reference to the rate of premium in fire and marine insurance and also in reference to the mode of adjustment of losses."

Although the board operated under different names, it has a continuous existence. In 1851 the name was changed to the Board of Underwriters of Cincinnati; in 1897, the Cincinnati Underwriters Association; in 1906, the Fire Underwriters Club of Cincinnati; in 1917, the Cincinnati Fire Underwriters Association.

Early 19th century periodicals carried advertisements telling merchants that marine insurance could be placed of shipments coming down the Ohio river and the river exerted a strong influence in the development of the local companies, much of the river business being written in Cincinnati at the present time. A few of the companies wrote nothing but steamboats.

The Chicago fire was a severe blow to Cincinnati's future as a fire insurance center. The Aetna Fire western department continued in Cincinnati 55 years, moving to Chicago in 1908 under the management of the late Thomas E. Gallagher. The Royal, which had appointed John S. Law manager of its central department in 1852, moved to

Chicago in 1895 consolidating with the western department under his two sons, George W. and John H. Law. The Phoenix of Hartford, which had appointed H. M. Magill manager in 1880, and the Northern Assurance, under W. F. Goodwin, also moved from the city. Following the death of J. M. DeCamp, general agent of the Liverpool & London & Globe's western department which had been in Cincinnati since 1872, in 1915, Frank Ritchie, Indiana state agent, was appointed acting general agent. He occupied that position until 1920, when the western department moved to Chicago, Mr. Ritchie returning to Indiana.

Officers of the Cincinnati local companies were prominent business men. An interesting development was that the officers of the companies started local agencies when their companies retired or reinsured. These included Charles F. Runck, who was secretary of the Western and the Citizens; W. S. Hukill, secretary of the Merchants & Manufacturers; Joseph A. Haass, secretary of the Miami Valley; B. S. Bendorf, secretary of the Farmers; George W. Pohlman, secretary of the National; John C. Sherlock, secretary of the Enterprise; E. F. Weiss, secretary of the Washington, and B. T. Clemons, secretary of the Globe.

In the early days, all business activity was centered at the water front, where the local companies and agencies maintained their offices. As the city grew away from the river, Third street became the insurance center, most of the offices being located in basements, which were practically at grade level, on both sides of the street. In the late 90's, a migration to fourth street took place with the completion of the old Chamber of Commerce and the First National Bank buildings.

Rights of Mortgagees Are Considered at Seminar

Rights of mortgagees under policies of fire insurance were the subject of the fifth lecture in the series of the Philadelphia Bar Association's current seminar. The paper was delivered by Horace Michener Schell. Mr. Schell worked back to court decisions in 1838, before there was any mortgagee clause, which decisions held that a loss payable clause merely entitled the mortgagee to receive whatever might be due under the policy, but that the mortgagee had no protection if the policy was invalidated by acts of the mortgagor. The result was the adoption of the standard mortgagee clause. Later decisions brought out the need for two clauses, one with full contribution, and one without contribution.

Every phrase of the mortgagee clause has been before the courts for interpretation, and the courts have not always agreed. In New York the full contribution clause is of no effect, because the court has ruled it is in conflict with the words "the interest of the mortgagee shall not be invalidated by any act or neglect of the mortgagor or owner." In other jurisdictions it is upheld. Mr. Schell said that it can be admitted that the contribution provision is not fair to the mortgagee.

Various points, such as the right to bring suit, appraisals, right to rebuild, etc., were discussed by Mr. Schell.

Safeguards for the Farm

The U. S. Department of Agriculture has published a revised edition of the pamphlet, "Fire Safeguards for the Farm," as Farmers Bulletin No. 1643. The edition was prepared by H. E. Rothe, secretary of the National Fire Protection Association committee on farm fire protection, and V. N. Valgren, Wallace Ashby and W. H. Rowe, members of the committee. It outlines the high lights of farm fire prevention and protection. Copies can be had by addressing H. E. Rothe, Bureau of Chemistry & Soils, U. S. Department of Agriculture, Washington, D. C., at five cents each.

Claimants' Rights to Use U. S. Courts Are Sustained

Pink's Attempt to Simplify Liquidations Loses in U. S. Supreme Court

WASHINGTON, D. C.—Petition of Superintendent Pink of New York for review of a circuit court of appeals decision holding that creditors of insurance companies in liquidation may bring suit in federal courts for recovery of their claims, was refused by the U. S. Supreme Court.

At the same time, the court refused to review another portion of the same decision, sought by S. W. Dempsey, Washington attorney, holding that questions of fact were involved in his claims which should be determined by a district court and refused his plea that a \$25,000 claim for services should be a preferred claim rather than a general one. Dempsey, however, was granted the right to bring suit in a federal district court for \$11,087 for legal services.

Pink's Argument

The New York insurance superintendent urged that suits of the type authorized by the circuit court would result in his liquidation of insurance corporations being "thrown into confusion and greatly disrupted."

"The very extensive procedure established by the insurance department and the New York courts for the determination of claims is grounded upon the statute, and the necessities of the case require a single control which can be attained only if the federal courts decline to entertain jurisdiction of such suits and remit all parties to the state courts," he contended in his brief.

Explaining how claims are adjudicated under that procedure, he told the Supreme Court that "this entire proceeding is predicated upon the determination of all claims in one proceeding where all creditors can participate in the allowance of all claims."

Expects Much Litigation

"If the decision of the circuit court of appeals is allowed to stand," he asserted, "a large number of creditors may institute similar suits in the federal courts. In such suits it will be impossible to bring in all of the creditors and stockholders, and other creditors will not have the opportunity of contesting the claims asserted in such suits."

"The law of the state of New York gives non-resident creditors and stockholders identically the same rights as residents. There is absolutely no advantage to a claimant suing in the federal court except that he impedes the opportunity of other creditors to object to his claim. On the other hand, suits in the federal courts would entirely disrupt the entire plan under which the department of insurance of the State of New York and the New York state courts are operating in liquidating insurance companies, and such suits would materially increase the expenses of liquidation and delay the distribution of dividends to creditors indefinitely."

A. R. Phillips in Columbus

COLUMBUS, O. — A. R. Phillips, vice-president of the Great American, who is also vice-president of the American National Fire of this city, was here Monday conferring with Vice-president W. O. McLelland, the operating officer. The annual meeting of the company was held. Mr. Phillips returned to the western department in Chicago, where he will remain for some days.

FIGURES FROM DECEMBER 31, 1937 STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Allemania, Pa.	5,181,010	-566,604	1,520,006	+77,003	1,200,000	2,029,506	-753,421	1,413,665	493,831	34.9
Alliance Assurance	1,906,349	+88,052	531,544	+68,992	200,000	543,917	-103,023	1,135,739	502,297	44.1
American, N. J.	29,015,656	-2,130,055	11,982,023	+498,655	3,343,740	10,042,548	-2,898,326	13,197,117	5,229,701	39.6
American Equitable	9,063,440	-4,532,716	4,430,055	+262,628	1,000,000	2,868,502	-3,357,665	4,370,065	1,700,279	38.9
American Reserve	5,113,097	-434,755	2,188,793	+164,761	1,000,000	1,289,054	-829,833	2,782,802	1,277,858	45.9
Capital Fire, Cal.	1,877,815	+502,394	130,689	+4,179	1,000,000	727,938	+103,337	125,234	49,986	39.9
Century	3,738,508	-275,373	1,641,396	+376,731	400,000	1,430,318	-949,969	2,204,991	839,358	40.3
Columbia Fire, O.	3,052,761	-165,929	439,377	-39,658	1,000,000	1,470,179	-122,571	664,919	201,067	43.2
Commercial Standard	3,065,086	+305,211	1,128,706	+234,439	500,000	428,548	+5,779	2,900,971	1,314,438	45.3
Dixie Fire	1,943,753	+390,323	350,464	+129,706	1,000,000	535,214	-255,376	487,559	189,785	38.9
Employers Fire	5,045,056	-189,599	1,988,719	+237,900	1,000,000	1,419,510	-415,436	2,460,354	852,730	34.6
Equity Fire	1,153,638	+15,869	243,813	+129,365	200,000	645,414	-158,026	310,947	20,490	6.59
Eureka-Security F. & M.	4,335,014	-85,959	1,900,169	+175,461	1,000,000	1,004,931	-300,739	1,751,931	774,020	44.1
Farmers Fire, Pa.	3,145,154	+89,521	730,941	+15,607	.....	2,252,616	+59,985	635,325	229,720	36.1
Federal, N. Y.	19,635,856	-1,056,300	2,724,679	+498,414	4,000,000	10,519,950	-1,374,969	4,677,083	1,845,609	39.4
Fonciere	353,594	+4,770	2,487	+1,784	200,000	139,006	-6,570	29,752	25,383	120.03
Globe & Republic.	5,290,771	-3,006,500	2,553,973	+153,163	1,000,000	1,345,528	-2,141,593	3,320,374	978,226	33.8
Gulf, Tex.	4,080,493	-60,329	1,775,491	+142,487	1,000,000	1,069,669	-108,962	2,024,086	734,602	36.0
Importers & Exporters.	697,400	-38,639	81,085	+5,453	200,000	395,020	-27,499	77,705	34,396	44.3
Knickerbocker	4,379,334	-2,075,554	1,939,435	+116,334	1,000,000	1,051,004	-1,532,251	1,913,936	743,025	38.8
London Assurance	8,699,720	-28,235	3,194,094	+34,838	400,000	3,944,129	-254,659	3,858,864	1,617,179	43.0
London & Prov. Marine.	1,194,923	+2,705	322,897	+555	200,000	615,412	+29,138	326,966	134,938	41.2
Manhattan F. & M.	3,112,853	-88,993	797,544	+24,042	1,000,000	1,201,458	-112,456	771,779	275,076	35.6
Marine	4,727,683	+18,225	863,761	+93,232	200,000	2,540,064	-203,673	1,922,155	685,531	35.6
Meiji Fire	3,212,882	-311,100	324,098	+1,183	200,000	2,623,133	-321,497	365,271	149,103	40.8
Merchants, R. L.	3,020,379	-419,266	1,104,343	-12,661	1,000,000	733,549	-381,562	1,126,051	489,331	43.4
Merch. & Manufact., N. Y.	3,396,914	-1,128,351	1,519,453	+94,478	1,000,000	640,670	-884,132	1,592,818	579,644	38.6
Michigan F. & M.	4,100,769	-38,844	1,412,281	+80,376	1,000,000	1,364,602	-92,085	1,504,829	577,401	38.3
Monarch Fire	3,548,621	-136,085	1,810,209	+66,559	819,336	468,991	-263,288	1,751,931	774,035	44.1
National Amer. Fire, Neb.	1,943,072	-151,085	416,973	-214,000	1,000,000	301,822	-39,906	558,474	482,119	82.0
National F. & M., N. J.	1,385,466	-2,767	166,157	+66,571	955,000	205,387	-246,162	209,440	45,592	21.8
New York Fire	5,603,926	-2,001,404	2,198,357	+131,837	1,000,000	2,064,269	-1,144,285	2,169,436	841,943	38.8
Pacific Coast Fire	1,501,361	+39,438	519,672	+121,966	400,000	844,865	-139,549	674,047	253,700	37.6
Pearl	17,401,245	+1,279,976	10,684,563	-1,763,473	400,000	4,010,096	-764,407	8,254,830	3,178,409	38.5
Quaker City F. & M.	1,526,042	-202,850	213,661	-72,855	400,000	705,152	-100,224	411,581	320,583	78.0
Rhode Island	3,537,803	-580,622	1,525,507	-150,461	1,000,000	712,089	-445,148	1,557,607	733,997	47.0
Sea	3,181,034	-47,759	580,251	+75,955	400,000	1,292,554	-319,124	1,417,976	626,416	44.1
Seaboard F. & M.	2,511,797	-335,515	653,681	+52,793	1,000,000	651,496	-597,013	837,456	351,878	42.0
Security Fire, Ia.	2,010,774	-108,155	908,159	+31,333	500,000	502,244	-71,002	642,714	220,792	34.3
Security National, Tex.	851,042	+29,801	.....	.....	250,000	262,690	-36,333	291,600	83,045	43.12
Standard, N. Y.	6,343,284	-325,404	1,565,472	+76,868	1,500,000	2,968,397	-482,396	1,733,880	700,097	40.4
Standard Fire, N. J.	3,061,180	-99,631	1,232,378	+43,476	300,000	1,177,351	-153,789	1,001,268	406,680	40.6
Sussex Fire	1,735,386	-302,010	289,947	+17,079	1,000,000	389,189	-291,508	284,487	109,710	38.6
Switzerland General	2,049,739	+34,802	486,910	+97,803	400,000	724,369	-82,879	889,037	413,007	55.03
Tokio M. & P.	13,341,886	-536,959	1,903,636	+95,086	400,000	9,994,212	-703,618	2,694,485	1,185,089	44.0
Union Fire Fr.	1,569,758	-33,607	417,864	+12,515	200,000	863,179	-64,562	437,182	192,522	43.9
Utah Home Fire	1,471,885	-52,053	366,612	+64,941	600,000	446,252	-324,772	363,040	110,218	30.3
Yorkshire	3,952,236	-169,972	1,614,487	+5,097	200,000	1,666,790	-147,036	1,634,829	674,689	41.2

*Includes \$500,000 transferred from surplus to capital.
 *Losses incurred to premiums earned.

*Losses paid to premiums earned.

Kentucky Distillery Loss Is Estimated at \$135,000

LOUISVILLE—Fire completely destroyed the distillery proper and power house of the Old Kennebec Distillery Co., near Frankfort, Ky. Warehouses, bottling house, cistern room, barrel house and office building as well as refrigeration plant escaped. Office building suffered some damage to roof where tar was cooked out of prepared shingles. The plant had not been operating for some months. Fire was believed to have been caused by spontaneous combustion in the meal room.

The risk was written through Leslie

W. Perkins, Frankfort, who is also an official of the distillery. The general form coverage was in the amount of \$192,350 and loss is estimated at \$135,000.

This is the first distillery fire loss in Kentucky since the big loss in the James E. Pepper Distillery division of the Schenley interests, at Lexington in the spring of 1934.

The Kennebec plant was entirely new in 1935 and started its first operations in January, 1936.

The companies on the line are: Ben Franklin \$15,000; Fidelity & Guaranty \$35,000; National Union \$60,000; Potomac \$10,000; Security of New Haven \$17,350; Travelers \$25,000; Pacific Na-

tional \$5,000, and Phoenix of England \$25,000.

Would Control "Counsellors"

NEW YORK—A measure before the New York legislature that is endorsed by the business puts under strict supervision operations of the growing number of so-called "insurance counsellors." Several of these operators, it is alleged, are former brokers whose licenses were canceled by the department for cause. Barred from seeking business as brokers, they now offer their services as advisers to assured, promising to point out ways whereby a saving in premiums may be effected. They charge a portion of the amount that is "saved."

Automobile Rate Discussion to Mark Minnesota Meeting

Preston to Lead Discussion—Honor Liscomb at Dinner—Full Program Arranged

MINNEAPOLIS — The automobile insurance rate situation in Minnesota will come in for a thorough airing at the mid-year meeting of the Minnesota Association of Insurance Agents here March 22-23. Frank Preston, national councillor for Minnesota, will lead the discussion.

Max Ryon, assistant manager of the Fire Underwriters Inspection Bureau in Minneapolis, will talk on "Stamping Offices as Service Offices."

The two-day meeting will open with a luncheon given by field men and will close with a dinner given by the Insurance Club of Minneapolis at which President C. F. Liscomb of the National association will be the guest of honor and speaker.

Breakfast Conferences

Two breakfast meetings have been arranged. One will be for city agents with P. H. Ware, Minneapolis, presiding, and the other for rural agents with Francis McGovern in charge.

A Business Development meeting will be addressed by O. J. Eastman, secretary of the Northwestern Fire & Marine.

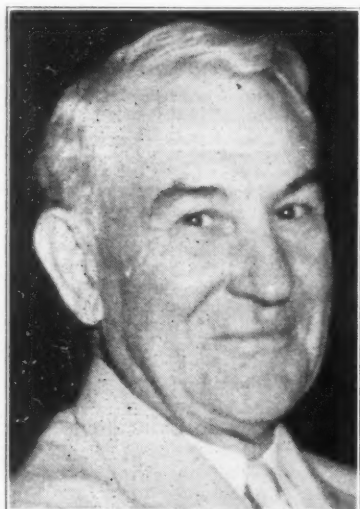
At a dinner conference for representatives of regional associations and members of the state membership committee, Harry Levant, Eveleth; Ralph Johnson and Ray Ostrander will take part.

The First Bancredit is sponsoring a complimentary buffet luncheon during the meeting.

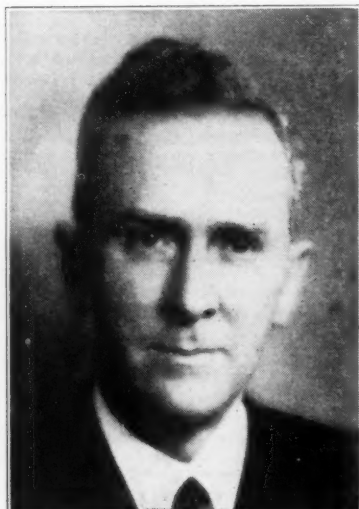
Field Men Make Ohio Filings

COLUMBUS—According to the Ohio department, field men have now filed the information demanded in connection with their activities under the resident agents' and foreign brokers' laws. The deadline was Monday. The department believes that all the field men have complied. The department had threatened to revoke their licenses if they failed to do so. One or two of the letters had to be sent back, it is understood, for affidavits. The order caused quite a stir and numerous conferences were held before the companies decided to yield.

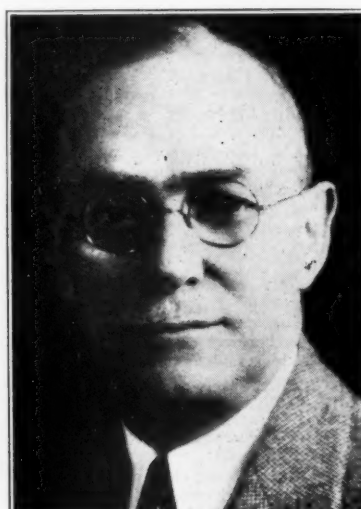
SPEAKERS AT NEW JERSEY LOCAL AGENTS MEETING



W. H. BENNETT, New York



WILLIAM LESLIE, New York



C. A. GOUGH, Trenton, N. J.



CHARLES E. MEEK, JR., Paterson, N. J.

There will be a fine battery of speakers at the mid-year meeting of the New Jersey Association of Underwriters Thursday and Friday of this week at

Trenton. W. H. Bennett, secretary National Association of Insurance Agents, is a topline as is William Leslie, manager National Bureau of Casualty &

Surety Underwriters. C. A. Gough, deputy insurance commissioner of New Jersey, is always expected to speak. Charles E. Meek, Jr., of Paterson, head

of the state body, will preside and give greetings.

The New Jersey Association is in flourishing condition today.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

America's Oldest Fire and Marine Insurance Company

FINANCIAL STATEMENT, DEC. 31, 1937

ASSETS	LIABILITIES
Bonds and Stocks.....\$83,542,802.01	Reserve for Unpaid Losses...\$ 5,931,811.00
Valued as required by National Convention of Insurance Commissioners	Unearned Premium Reserve.. 21,114,464.82
Mortgages on Real Estate.... 20,525.00	Deposits Reclaimable on Perpetual Policies 882,410.56
Accrued Interest 238,119.85	Reserve for Taxes and Other Expenses 2,091,000.00
Real Estate Philadelphia, New York City and San Francisco 5,751,427.44	Reinsurance Non-admitted Companies 635,438.08
Cash in Banks and Office..... 6,037,185.81	Dividends Payable Jan. 15, 1938 1,800,000.00
Premiums in Course of Collection 2,928,581.64	Cash Capital 12,000,000.00
Notes Receivable for Premiums 27,078.50	Surplus 54,240,005.21
Reinsurance Claims on Losses Paid 149,409.42	
<u>\$98,695,129.67</u>	<u>\$98,695,129.67</u>

If actual market values as of December 31, 1937, were used in valuing all stocks and bonds held by the Company at that date the total value thereof would be \$84,424,190.93. In such case the total admitted assets would show as \$99,576,518.59 and the surplus as \$55,121,394.13.

CHARLES J. SCHRUP, President

S. F. WEISER, Secretary

**Fifty-fifth Annual Statement, December 31, 1937**

Capital	\$1,000,000.00
Unearned Premium Reserve (and all Other Liabilities)	2,914,078.11
Contingency Reserve	150,000.00
Net Surplus	1,079,830.17
	\$5,143,908.28

Summary of Admitted Assets

Bonds and Stocks	\$3,575,031.18
Cash on Hand and in Banks	588,105.27
Real Estate Mortgage Loans	34,544.27
Real Estate	322,989.88
Agents' Balances Not Over 90 Days Due ...	591,155.93
Interest Accrued on Loans and Bonds	32,081.75
	\$5,143,908.28

Securities valued as prescribed by Association of Insurance Commissioners. On the basis of market quotations for all bonds and stocks, the total admitted assets would be increased to \$5,152,268.60 and the net surplus to \$1,088,190.49.

Securities carried at \$204,323.56 in the above statement are deposited as required by law.

CHARLES J. SCHRUP, President

S. F. WEISER, Secretary

GEO. W. MYERS, Vice President

**Nineteenth Annual Statement, December 31, 1937**

Capital	\$ 500,000.00
Unearned Premium Reserve (and all Other Liabilities)	1,374,185.78
Contingency Reserve	50,000.00
Net Surplus	451,146.63
	\$2,375,332.41

Summary of Admitted Assets

Bonds and Stocks	\$1,658,756.59
Cash on Hand and in Banks	229,482.26
Real Estate Mortgage Loans	5,950.00
Real Estate	375,294.41
Agents' Balances Not Over 90 Days Due ...	89,572.33
Interest Accrued on Loans and Bonds	16,276.82
	\$2,375,332.41

Securities valued as prescribed by Association of Insurance Commissioners. On the basis of market quotations for all bonds and stocks, the total admitted assets would be increased to \$2,375,707.28 and the net surplus to \$451,521.50.

Good Effect from Stiffening Rules of New York Exchange**Manager Hess Makes Report at 39th Annual Meeting of Metropolitan Body**

NEW YORK—High points in the report of Harold M. Hess, manager New York Fire Insurance Exchange, submitted at the 39th annual meeting of the organization Wednesday, included recital of the beneficial results that had followed the adoption in February, 1937, of the provision requiring suspension or revocation of "members, companies or agencies for wilful violation of the agreement or general rules of the exchange," and of the further stipulation "for non-intercourse therewith, during the period of suspension or revocation."

The rule also provides for non-intercourse by members with any broker convicted of rebating or receiving excess commissions. During the year penalties for paying excess brokerage were imposed upon three members. The pending suit challenging the authority of the exchange over commissions, has not yet been tried, Mr. Hess noted.

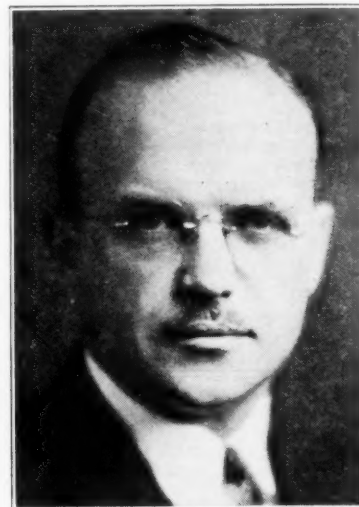
Average loss ratios for five year periods were: 1928-32, 50.6 percent; 1929-33, 52.3; 1930-34, 51.9; 1931-5, 49.5; 1932-6, 44.1.

The year 1936, the last available, showed fire premiums amounting to \$28,920,285, a decrease of 1.9 percent from the previous year. Estimates for 1937 show a further slight reduction in premiums. The year 1936 likewise showed the amount of insurance written decreasing to \$7,381,259,318, a decrease of 3.9 percent. The average premium rate for 1936 showed an increase of 1 cent to 39 cents, due to entry of an increased proportion of term business sufficient in amount to overcome the reduction in annual rate, which has continued as shown by the summary of changes in rates and rating rules.

Total receipts of the exchange in 1937 were \$540,325, with disbursements of \$531,135. All former officers were unanimously re-elected for the new year, the roster being: W. R. Crane, Crum & Forster, president; A. R. Hanners, Commercial Union, vice-president and H. M. Hess, secretary-treasurer. New mem-

J. J. Ferguson Promoted to Assistant Manager**General Agent of the Fireman's Fund Prominent in the Insurance Activities**

J. J. Ferguson of Chicago, general agent in the western department of the Fireman's Fund group, has been appointed assistant manager, the senior assistant manager being Harvey A. Bush.

**J. J. FERGUSON**

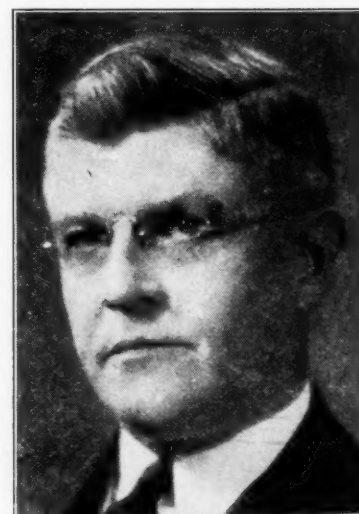
Mr. Ferguson is a forceful young man who is interested in a number of activities. He has been prominent in the Cook County Field Club and served as its president. He is chairman of the insurance group of the Chicago Association.

(CONTINUED ON LAST PAGE)

bers of the executive committee chosen for three years terms: H. H. Clutia, Northern of New York; G. F. Kern, Fuller & Kern, and T. J. Irvine, Imperial Assurance. The offices of manager and of assistant manager are appointive; Mr. Hess holds the former post and F. J. Donovan the latter.

Great American in the West**SAMUEL M. BUCK**

S. M. Buck, western manager of the Fireman's Fund, who takes charge of the western department of the Great American as manager, will be elected vice-president of the Great American and its affiliated companies at the next meeting of their directors. In that way he

**G. D. GREGORY**

will have the same relationship with the companies as his predecessor, the late C. R. Street. G. D. Gregory, secretary of the Great American group, will remain second in command in the western department. He has been the right hand man of Mr. Street.

Tennessee Agents O. K. New Constitution; Greet Saint

One-Day Meeting Held at Nashville—Progressive Plans Under Way for Future Development

NASHVILLE, TENN. — The Tennessee Association of Insurance Agents held a one-day meeting here to meet John D. Saint, the association's new manager, and to approve a new constitution and by-laws. Over 300 were present.

President W. S. Keese, Jr., Chattanooga, outlined the purposes of the meeting and gave credit to the Memphis Insurance Exchange for starting the movement which brought Mr. Saint to Tennessee as manager. Leslie M. Ross, Gallatin, Tenn., was praised for his untiring efforts in bringing the association out of insolvency and for increasing the membership from 100 to its present total of 263.

In his talk Mr. Saint expressed a desire that the connection between himself, as manager of the association, and the members be founded upon friendship. He stated that he would be perfectly willing to spend 20 percent of his time in crying with them over spilt milk, but that 80 percent of his time would be devoted to bringing about a better tomorrow.

Build on Foundation

In explaining the purpose of the rejuvenated Tennessee association Mr. Saint emphasized that he is not going to tear down the existing order, but to build a new and more efficient organization upon the foundation of the association now in existence. "We are organized," he said, "for a purpose and we are not against anything that is healthful to us. Instead of introducing something new, we are coordinating the old and tried methods with the latest developments in our business, which, I am convinced, is today at the peak of its usefulness, purpose and popularity."

Mr. Saint next gave a clear definition of those who would not be accepted into membership. Broadly speaking only two classes of insurance men were barred from membership: all representatives of mutual companies, and capital stock representatives who were part time order takers. "This is a business," he said, "of the survival of the fittest. We have no room in our organization for mere order takers who are not ambitious to improve themselves; neither do we have a place for men who place their private gain before public service. The main purpose of all insurance men is to serve the public in the best and most economical way possible."

No Radical Moves

In charting the course of the organization, Mr. Saint promised that nothing radical will be tolerated, that only tried and proved methods will be included in the plan of action, but he cautioned, "We will be fearless and unrelenting in following that course, once it is established."

The new constitution and by-laws are based upon the old provisions with some features of the National association's constitution and a few changes suggested by Mr. Saint. George Caldwell of Knoxville raised the question as to whether or not an insurance agent who conducted a real estate business in connection with their agencies would be considered a part time agent and therefore not eligible for membership. Mr. Keese pointed out that 50 percent of all insurance men in the smaller localities are engaged in real estate and to exclude them would materially reduce the potential strength of the association. The two lines have been associated together for such a long time that agents who handle real estate are accepted everywhere as agents in good standing. Mr. Saint further explained that the constitution

(CONTINUED ON PAGE 42)

Experience in '36 and '37 Floods Presages Several Types of Los Angeles Losses

Based on experience in the 1936 flood in Pennsylvania, New England, and other portions of the east and the 1937 Ohio river flood, insurance people are able to anticipate typical losses that come from these catastrophes and there is much interest in what the consequences to insurance may be from the Los Angeles flood.

The automobile comprehensive policy covers flood damage to the car and there may be numerous losses on this score from Los Angeles. Experience in the past two years indicates that although such losses may be numerous in a flood, the average loss per car is not heavy.

Plate Glass Insurance

Plate glass insurance is very likely to be called upon after a flood.

A number of national chain stores including Woolworth have been able to procure straight flood insurance as costly as that has been to the insurers.

The marine people find that they become rather heavily interested in various ways in a flood.

(CONTINUED ON PAGE 42)

Flood and Fire Protection Treated by W. D. Milne

W. D. Milne, manager of the Eastern Underwriters Inspection Bureau, in addressing the Safety Congress in Newark treated the problem of floods and fire protection.

One aspect of the problem, he observed, involves public and community interests and the other the interests of owners whose property is directly exposed.

In the east floods are not as frequent nor as of such long duration as those along the great river systems of the central states but there is pronounced danger of flooding in certain districts. There is a tendency for floods along river system to increase in frequency and in severity as the rate of run-off from water sheds increases with deforestation and improvement of land and for water courses in valleys to become restricted by the encroachment of buildings, highways and other developments. There is a constant temptation to occupy for industrial and residential purposes lands that are normally subject to

occasional flooding. This tends to restrict the flow of water and increase the depth of the flooding.

Owners of property not directly exposed to floods should, however, take an active interest in the problem, for floods may cause interruption of services of power, light, gas, communication, water supply, sewerage and supply of materials as well as other delays and interruptions affecting business and values in plants or properties at some distance from an inundated area. Mr. Milne said there should be an active interest in major projects for flood prevention and control so that effective measures may be secured without wasteful expenditure. There should be interest in local zoning regulations to prevent improper occupancy of land along river banks or the development of such areas in a way tending to restrict the run-offs in times of flood.

There should be interest in the organization of municipal departments in con-

(CONTINUED ON PAGE 43)

SWISS REINSURANCE COMPANY

OF ZURICH, SWITZERLAND

Financial Statement as of December 31, 1937
As made to the New York Insurance Department

ASSETS		LIABILITIES	
Government and State Bonds...	\$ 4,226,116.82	Reserve for Unearned Premiums	\$ 6,275,257.05
Railroad Bonds and Stocks.....	4,100,987.54	Reserve for Unpaid Losses	784,391.33
Miscellaneous Bonds and Stocks	4,334,512.53	Reserve for Depreciation of Real Estate and Mortgage Loans..	150,000.00
Real Estate	265,263.35	Reserve for all other Liabilities..	380,000.00
Mortgage Loans on Real Estate.	710,562.50	General Voluntary Reserve.....	3,019,275.45
Premiums in Course of Collection	371,751.77	Statutory Deposit ...\$	400,000.
Cash and Bank Balance.....	1,468,099.10	Surplus over all Liabilities	4,600,000.
Interest Accrued	131,322.71	SURPLUS to Policyholders....	5,000,000.00
Other Assets	307.51		
	\$15,608,923.83		\$15,608,923.83

On the basis of December 31st, 1937 Market Quotations for all Bonds and Stocks owned

This Company's Total Admitted Assets would be increased to\$16,130,373.51

And Surplus to Policyholders..... 5,521,449.68

Securities carried at \$524,878.54 in above Statement are deposited as required by law.

FIRE REINSURANCE

RODNEY DAVIS, United States Manager

250 Park Avenue, New York



25th ANNUAL STATEMENT

DECEMBER 31, 1937

Twin City Fire Insurance Company

Reserve for Unearned Premiums	\$ 283,110.51
Reserve for Losses in Process of Adjustment	25,688.06
Reserve for Taxes and Accruals	21,975.00
Contingency Reserve	77,148.33
Capital Stock	\$500,000.00
Surplus	827,883.69
Policyholders' Surplus	1,327,883.69
Total Admitted Assets	\$1,735,805.59

TWIN CITY FIRE INSURANCE COMPANY

John H. Griffin, Vice President—Manager

MINNEAPOLIS



MINNESOTA



NEWS OF FIELD MEN

Wilson Heads Coast Group

Elected President of Special Agents Association of Central-Northern California

SAN FRANCISCO — New officers elected by the Special Agents Association of Central-Northern California are: S. N. Wilson, Fireman's Fund, president; C. M. Rogers, Royal-Liverpool, vice-president; Harrison Houseworth, secretary; C. S. Myrick, treasurer; W. E. Tracy, America Fore, sergeant-at-arms. The executive committee consists of W. H. Oehlmann, Fire Association; L. E. Colburn, America Fore; C. A. Brown, Home Fire & Marine; S. E. McPherson, Netherlands; W. L. Oxley, Springfield F. & M.; H. B. Murray, Aetna Fire; M. E. Pinney, Continental; R. C. Gillette, Swett & Crawford; C. W. Von Tagen, National of Hartford.

The East Bay contact committee consists of Mr. McPherson, K. C. Smith, Fireman's Fund; Mr. Von Tagen and E. M. Northup, Great American. Regional committee chairmen are: Sacramento valley, H. E. Tonnemacher; San Joaquin valley, Floyd Lobree; north coast, Everett Northup; south coast, Oscar Steenus; East Bay, R. G. Scheller; Nevada, W. E. Tracy.

The Special Agents Association of Central-Northern California has announced the following committees for the purpose of promoting and developing the program of the Business Development Office in its territory:

C. M. Rogers, Oakland, is general chairman of the Business Development program. W. L. Oxley, San Francisco, chairman central committee. Regional chairmen and their districts are: E. M. Northup, Berkeley, north coast; C. W. Von Tagen, Alameda, south coast; W. E. Tracy, Sacramento valley and Nevada; A. H. Bonstin, east bay; R. J. Newell, San Joaquin valley.

Georgia Appointments Made

Fireman's Fund Southern Department Promotes Two Men from the Office Ranks of the Company

ATLANTA — The Fireman's Fund announces William A. Smith as special agent in north Georgia, assisting State Agent Rust. He represents all the fleet. After leaving Georgia "Tech" in 1928, Mr. Smith joined the southern department of the Fireman's Fund and has had experience in the underwriting, engineering and service departments.

W. H. Bowers, connected with the engineering-service department, is also appointed special agent assisting State Agent Rust, Special Agent Smith and L. H. Swan, special agent in south Georgia in the development of fire, inland marine and automobile. He went to the southern department after leaving school and has been given important work as he went along. All the Georgia field men will continue to maintain headquarters in the southern department office in the Hurt building, Atlanta.

Southern California Election

LOS ANGELES—The Southern California Fire Underwriters Association (formerly Special Agents Association) has elected these officers: President, A. M. Schneider, Springfield Fire & Marine; vice-president, Marshall Rankin, Aetna Fire; secretary-treasurer, Ross D. Misner, John A. Whalley & Co.; executive committee, W. E. Alair, Northern Assurance; C. E. Curry, C. A. Colvin office; H. J. Harrison, North America; C. L. Larson, Royal; R. P. McGuire, Home of New York; M. W. Paxson, Edward Brown & Sons, and Clayton Tisdale, Hinchman, Rolph & Landis.

Camden in Field Conference

Special Agents Reporting Direct to the Home Office Hold Gathering There This Week

CAMDEN, N. J.—The Camden Fire arranged a conference of its direct territory fieldmen for this week at the head office. The program placed emphasis on selling and advertising with statistical information and underwriting technique minimized.

No speeches were made, the sessions being devoted to informal discussions of problems affecting the home office and the men in the field.

Among the interesting features to be presented is "Making a Sales Presentation Stay Presented", sound film transcription of a lecture by Professors Borden and Busse of Columbia University. Recordings of the actual conversations of solicitors for mutual companies will also be presented.

The Camden Fire group met with the Lions Club of Camden for luncheon Wednesday, when A. B. Bielaski, head of the arson division National Board, spoke.

Several entertainment features have been arranged including a dinner at the Union League, Philadelphia, as guests of President William T. Read, followed by a theater party at a performance of "Brother Rat". A dinner at Bookbinders was arranged for Wednesday evening and a visit to the film "In Old Chicago."

Michigan Blue Goose Annual

Ganders Will Fly to the Luxuriant and Fertile Rice Swamps of Grand Rapids Next Week

The Michigan Blue Goose will hold its annual meeting and banquet at the Panslind Hotel, Grand Rapids, March 15. G. R. Edleman, Home of New York, is most loyal gander. In the afternoon there will be the initiation ceremonies followed by the annual election. In the evening will be the good fellowship banquet. Most Loyal Gander Edleman will make the introductory remarks at the banquet and introduce E. G. O'Brien, state agent of the Pearl, who will act as "Squawkmaster." Insurance Commissioner Gauss will bring greetings from the insurance department. C. J. Malcolm of Toronto, grand keeper of the golden goose egg, who is special agent of the Aetna Fire, will represent the grand nest.

Henry Bogue of Detroit, manager of the Michigan Audit Bureau, will speak for the "Old Guard." W. T. Benallack, secretary Michigan Fire & Marine, past most loyal grand gander and the wielder of the Michigan nest, will speak of the "Silver Geese" or those that have been members for 25 or more consecutive years. The "Silver Geese" are as follows: J. B. Adams, J. V. Barry, J. W. Beck, W. T. Benallack, C. H. Bloom, H. E. Bowen, H. M. Carmichael, C. A. Dafeo, A. H. Dinning, H. E. Everett, W. C. Gerow, G. P. Kessberger, A. J. Knaak, Dudley H. Luce, A. N. McDougall, J. H. MacFarlane, George K. March, E. E. Marion, R. F. Medbury, Stuart Morgan, P. J. Moriarty, H. L. Newman, L. C. Nichols, E. G. O'Brien, C. A. Palmer, S. S. Post, A. F. Powrie, C. A. Reekie, E. F. Richards, Fred A. Rye, D. R. Simmons, Raymond Waldron and O. D. Wiche.

Rives Succeeds Hirsch

Herman Hirsch, who retired as Georgia state agent of the American of Newark under the company's pension plan, is succeeded by Davis B. Rives, who has been associated with Mr. Hirsch in handling that state. Offices

will continue in the Trust Company of Georgia building, Atlanta.

Before going to Georgia, Mr. Rives was special agent in Texas for the American group and has been with that group for about 12 years.

Field Rally in Minneapolis

MINNEAPOLIS—Field men and officers of the Northwestern Fire & Marine and Twin City Fire & Marine held a three-day conference here. It was the first gathering of the kind for several years.

About 14 field men from the middle west attended. Taking a leading part in the sessions were C. W. Hall, vice-president; O. J. Eastman, secretary, and L. B. Van De Wall, assistant secretary. A message was read from President J. H. Griffin, who is in Florida on a vacation.

Indianapolis Office Closed

Senator K. Gray, insurance superintendent of the Yorkshire group, was in Louisville this week and announced a change in the field service. The Louisville office will serve Kentucky, Indiana and Tennessee and the Indianapolis office will be closed.

C. B. Hoover, special agent in Indiana, is being transferred to the Louisville office, from which he will continue to supervise the agents in Indiana, but also assist T. W. Schultz, state agent, in the Kentucky and Tennessee field.

Kentucky Field Meets

LOUISVILLE—The Kentucky Blue Goose held a splash here with a business meeting followed by a dinner. The Kentucky Fire Underwriters Association held its regular monthly meeting, considering routine matters.

Cosgrove Gives Address

J. M. Cosgrove of Hartford addressed the Norwalk, Conn., board of trade this week on "Insurance Integrity." Mr. Cosgrove, who is Connecticut special agent of the America Fore group, is an executive member of the New England Insurance Exchange.

Coffey Gets Pacific Support

The Pacific Coast conference of Blue Goose ponds decided to back one candidate for grand keeper of the golden goose egg at the grand nest meeting in Los Angeles next August. C. A. (Pat) Coffey of Spokane, special agent of the London & Lancashire group, is being supported for the position.

Anthracite Club Meeting

The Anthracite Field Club of Wilkes-Barre, Pa., will hold its meeting next Tuesday. Carlyle Hill, secretary Middle Department Rating Association, will give the talk.

Illinois Blue Goose Initiation

The Illinois Blue Goose will have an initiation and dinner, April 18, in Chicago. It will be in charge of John Chickering, agency superintendent Sun, who is most loyal gander. The initiation team will be well drilled and an exhibition worth while is anticipated.

Leseth Leaves the Hospital

Sherman S. Leseth, special agent of the Glens Falls group in Illinois, who has been in St. Luke's Hospital, Chicago, undergoing an operation for removal of a tumor at the base of the brain, recovered sufficiently to be returned to his home, 6312 North Fairfield avenue, in that city. The operation was highly successful. Mr. Leseth will probably be confined to his home for the next six weeks.

Gives National Board Position

At a meeting of the Ohio Fire Underwriters Association in Columbus, R. M. Edmonds of the law firm of Edmonds & Carter, which represents the National Board, reviewed the recent controversy between the companies and the Ohio de-

partment of insurance relative to the agents' activities under the foreign brokers' law and the resident agents' law, which resulted in the companies' agreeing to submit to the department the information which it sought.

In the absence of W. A. Sawyer, Fireman's Fund, president Ohio Fire Underwriters Association, E. B. Leighton, America Fore, presided at the meeting in Columbus Tuesday. W. C. James of Columbus, special agent of Aetna Fire, was admitted to membership.

The next meeting will be held in Columbus April 5. The May meeting will be preceded by an initiation, business meeting and dinner dance by the Blue Goose.

Branscom Spokane Speaker

SPOKANE, WASH.—J. H. Branscom, manager Idaho Rating & Survey Bureau, was the guest speaker at the Blue Goose meeting here.

C. A. Coffey, special agent London & Lancashire, has been elected keeper of the golden goose egg.

Life Membership to Taylor

The Ohio Blue Goose has granted a life membership to Ralph H. Taylor of the St. Paul Fire & Marine. Mr. Taylor was ill in a hospital in Columbus for many weeks, but has been removed to his home, where his friends are permitted to see him.

FIELD NOTES

The Ohio Fire Prevention Association has postponed indefinitely the inspection of Toledo, which had been set for May 2-4.

The woman's auxiliary of the Wisconsin Blue Goose sponsored an informal dinner and card party in Milwaukee, attended by about 50 ganders and ladies.

The Oklahoma Fire Prevention Association will inspect Hugo March 23.

Hurt Burton, South Dakota state agent for the Home, is on a visit to New York. He stopped in Chicago for a time on his way.

T. A. Fleming in Syracuse

SYRACUSE—T. Alfred Fleming of the National Board of Fire Underwriters, addressed the members of the Syracuse Underwriters' Exchange and the Syracuse Field Club in a joint dinner meeting Monday attended by about 60.

Tuesday noon Mr. Fleming spoke to the students of Syracuse University, and Tuesday night he addressed the members of the Syracuse Association on Credit Men in their annual meeting.

Doyle Issues Tax Bulletins

In a series of bulletins to member companies, J. H. Doyle, general counsel National Board, recites the data required under the tax laws of Minnesota, Maryland, Georgia and Mississippi, with guiding comment.

C. J. Lund Is Feted

A testimonial luncheon was given in Minneapolis for C. J. Lund, manager Fire Underwriters Inspection Bureau due to the fact that he had completed 30 years in the service of that bureau.

R. D. Hobbs, manager Western Actuarial Bureau, attended. Mr. Lund was presented with a gift.

In the morning, Mr. Lund was surprised to find his office decorated with bouquets of flowers given by the employees. His staff also presented him with a wrist watch. The luncheon was a complete surprise to Mr. Lund. It was attended by about 20 employees, including the branch managers. Mr. Hobbs was an unexpected guest. Dozens of telegrams and letters were received as well as many visitors and telephone calls.

The Fire Underwriters Inspection Bureau has jurisdiction over Minnesota, North and South Dakota.

Miss Ruth Duncan, daughter of Logan Duncan of the Duncan Agency, Mission, Tex., was married to T. W. Graber.



Red River Ox Cart—Northwest transportation before the railroads

39TH ANNUAL STATEMENT

DECEMBER 31, 1937

Northwestern Fire & Marine Insurance Company

Reserve for Unearned Premiums	\$ 575,705.53
Reserve for Losses in Process of Adjustment	82,180.16
Funds Held Under Treaty	229,539.53
Reserve for Taxes and Accruals	28,120.00
Contingency Reserve	94,093.97
Capital Stock	\$1,000,000.00
Surplus	917,667.34
Policyholders' Surplus	1,917,667.34
Total Admitted Assets	\$2,927,306.53

NORTHWESTERN FIRE & MARINE INSURANCE CO.

MINNEAPOLIS
MINNESOTA



JOHN H. GRIFFIN
PRESIDENT

NEWS OF THE COMPANIES

American of Newark Net Earnings of the Last Year

The American of Newark's net earnings from underwriting last year amounted to \$948,304 or 7.5 on premiums or 71 cents a share. The investment earnings were \$1,001,415 or 75 cents per share. The earned income was \$1,949,719 or \$1.46 a share. The dividends paid were 60 cents a share or \$802,498. The surplus earnings were \$1,147,222. President Paul B. Sommers in a letter to stockholders states it is a well settled principle of prudent insurance company management that dividends declared should be limited well within the income from interest, dividends and rent. The decrease in surplus was \$2,898,326. President Sommers, in commenting on this decrease says:

"Unfavorable conditions in the security markets were largely responsible for the decrease in surplus although the following factors also contributed. Putting owned real estate on a conservative valuation, the company has voluntarily reduced the book value of such, which is now carried at \$1,485,561 less than cost. The total tax reserves for all companies, has been increased to \$810,541, and the premium reserves by \$778,494, both of which are deducted by law from surplus, although the premium reserves contain an ultimate equity for stockholders. The larger reserves for unearned premiums are brought about by the increase in writings, which increase amounted to \$1,546,987. Despite continued unfavorable competitive conditions, further reductions in the prevailing premium rates, and the general unsettled business conditions, premium income, which is the life blood of any

insurance company, showed an increase over the previous year of better than 11 percent, although the average increase of premiums for all companies is estimated at 5 percent.

Premiums, Assets Are Higher

Assets of Northwestern Fire & Marine now amount to \$2,927,306, increase \$44,451, capital is \$1,000,000 and net surplus \$917,667, decrease \$63,659.

Assets of the Twin City Fire are \$1,735,805, increase \$37,903, capital is \$500,000 and net surplus \$827,883, decrease \$46,862.

Both companies are affiliated with the Hartford Fire.

Net premiums written by Northwestern F. & M. before reinsurance amounted to \$2,945,485, increase \$264,000. After reinsurance, the premiums were \$643,817.

The Twin City had premiums before reinsurance of \$1,772,746, increase \$474,000, and after reinsurance, \$275,694.

Rossia Executive Committee

At the annual meeting of the Rossia an executive committee of the board was created. The personnel includes President Carl F. Sturhahn, R. G. Emerson of Boston; R. A. Corroon, head of Corroon & Reynolds, and Rodney Hitt of New York and Thomas Hewes.

Set Aside Fee

The court of appeals of Franklin county, O., has set aside a fee of \$20,000 which had been granted Attorneys Robert Sykes of New York and C. S. Drugan, P. R. Gingham and J. P. McNamara of Columbus, O., in the case of the withdrawal of the deposit of the Northern of Russia from the state. The action of the common pleas court in allowing

the fee was described as "erroneous and premature." The Moscow company has assigned to the Manhattan Trust Company of New York. The United States government, which claimed the deposit, objected to the granting of the allegedly excessive fee.

New Directors Named

S. H. Logan, president Canadian Bank of Commerce, and Graham Morrow of the legal firm of Long & Daly, Toronto, have been named directors of the British America and Western Assurance. Dividends on the common stock of both companies for the half-year at the rate of 12 percent per annum, were declared.

To Sell Public Fire Assets

Under authority of the court of chancery of New Jersey, the commissioner of that state will offer for sale at Trenton, March 21, all assets of the defunct Public Fire of Newark remaining in his possession. A list of the assets and the terms and conditions of their sale may be obtained from Special Assistant Deputy H. W. St. Clair at the office of the department in the state house building.

Swiss Reinsurance Makes Gains

The Swiss Reinsurance, which is the leading fire reinsurer in this country in point of premium income, in its new annual statement reports assets \$15,608,523, an increase of about \$600,000. The premium reserve is \$6,275,257, an increase of better than \$300,000. There is a general voluntary reserve of \$3,019,275. The statutory deposit is \$400,000 and net surplus is \$4,600,000. Rodney Davis is the United States manager.

Pearl Issues New Statement

The Pearl in its new annual statement reports assets \$17,401,244, an increase of about \$1,300,000.

Premium reserve is \$9,336,360, which is an increase of just about \$1,000,000. There is a statutory deposit of \$400,000

and net surplus of \$4,010,096, a decrease of about \$700,000. There is an item of \$1,919,422, representing unearned premiums and losses recoverable on reinsurance in companies not admitted to New York state.

Eureka Security F. & M. has assets \$4,335,014, premium reserve \$1,798,679, capital \$1,000,000 and net surplus \$1,004,816.

Monarch Fire has assets \$3,548,620, capital \$819,336 and net surplus \$469,015.

Globe & Rutgers Figures

The annual statement of the Globe & Rutgers shows assets \$13,826,108, premium reserve \$1,442,339, as compared with \$1,090,051 a year ago. Its first preferred stock amounts to \$336,870, cumulative second preferred stock \$517,875, cumulative junior preferred stock \$75,000, common stock \$1,200,000, total capital \$2,159,745, net surplus \$6,584,985. Last year it retired 13,887 shares of its preferred stock. Its cash is \$1,915,591, federal bonds \$1,017,849, other bonds \$3,269,175, stocks, including subsidiary companies at \$3,072,392, \$7,282,695.

White Made General Counsel

SAN FRANCISCO—W. A. White has been appointed general counsel of Pacific National Fire.

Born in New Haven, Conn., Mr. White came to California at an early age, making his home in Fresno. Graduating from the University of California in 1923, with degrees of A.B. and J.D., he became, shortly after his admission to the bar, deputy district attorney of Fresno county, and later joined the Fresno law firm of Barbour & Kellas.

Since 1929 he has handled insurance matters, in association with the San Francisco law firm of Keyes & Erskine. He will make his headquarters at the home office.

The Commercial of Havana, Cuba, has retired from the United States. It transacted a small reinsurance business.

THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PENNA.

Financial Statement at Close of Business, December 31, 1937

ASSETS	LIABILITIES
Bonds and Stocks.....\$8,709,417.67	Reserve for Unpaid Losses.....\$ 551,415.00
Valued as required by National Convention of Insurance Commissioners	Unearned Premium Reserve..... 2,288,173.93
Accrued Interest on above Bonds..... 36,449.76	Deposits Reclaimable on Perpetual Policies 115,796.75
Cash in Banks and Office..... 738,416.17	Reserve for Taxes and Other Expenses 240,600.00
Premiums in Course of Collection.... 366,747.74	Reinsurance Non-Admitted Companies 20,642.65
Notes Receivable for Premiums..... 733.90	Cash Capital 1,000,000.00
Reinsurance Claims on Losses Paid... 4,549.06	Surplus 5,639,685.97
\$9,856,314.30	\$9,856,314.30

If actual market values as of December 31, 1937, were used in valuing all stocks and bonds held by the Company at that date the total value thereof would be \$8,854,485.00. In such case the total admitted assets would show as \$10,001,381.63 and the surplus as \$5,784,753.30.

AS SEEN FROM CHICAGO

NEW HAMPSHIRE RALLY IN CHICAGO

Field men in the western department of the New Hampshire were in Chicago for a four day session with a group of head office executives and with the two western general agents, W. G. Shipe of Chicago and A. I. Doling of Topeka. The program had been carefully worked out and much practical benefit was derived by the men. There was a dinner the second evening. Those from the head office who participated were Vice-presidents A. D. Yeaton, J. D. Smart and H. F. Berry. W. J. Hallowell, inland marine manager, was on hand to see that his specialty was properly emphasized.

Mr. Doling received word while in Chicago of the death of his father, a retired college professor who was about 90 years of age, in Topeka.

L. E. JENKINS & CO. MOVES

L. E. Jenkins & Co., well known independent adjusting office for the past seven years located in the Midland building, 176 West Adams street, Chicago, moved its office this week to 1054 Insurance Exchange building to facilitate handling adjustments for numerous clients located there. Mr. Jenkins started in the adjusting business in 1914 in the Chicago office of the London Guarantee. In 1919 he entered the claim department of the Travelers there. He rounded out his experience as a company adjuster with the Norwich Union Indemnity, and in 1930 opened his own independent adjusting firm, specializing in automobile and marine losses. As his company connections increased, he added to his facilities and now handles all types of losses within a radius of 100 miles of Chicago. His office handles exclusively adjustments of the Massachusetts Indemnity in the territory. Mr. Jenkins personally supervises all the claims passing through his office.

NATIONAL REARRANGES OFFICES

There will be a rearrangement of private offices in the western department of the National Fire of Hartford following the retirement of D. H. Dresser, senior assistant manager. His old office will be used now for the library and conference room. L. R. Hanawalt, who now becomes the ranking assistant manager, will have his office in the quarters that have been occupied by the library. Assistant Manager E. J. Silhanek advances to Mr. Hanawalt's former office. E. H. Forkel, agency superintendent, will occupy Mr. Silhanek's former quarters.

FLOREEN IS VICE-PRESIDENT

W. J. Floreen has been elected a vice-president of the Rollins, Burdick, Hunter Company of Chicago. He will continue as supervisor of production. Mr. Floreen has been with Rollins, Burdick, Hunter for 15 years or more and has been a director of the company for a number of years.

NEW AGENCY IS OPENED

Clarke F. Mair and A. W. Daniels have opened an agency at 330 South Wells street, Chicago, under the name of Mair-Daniels & Co., in room 700. The agency will handle all lines of insurance and do a general brokerage business. Messrs. Mair and Daniels were formerly associated with the Travelers for about seven years, specializing in life and accident coverages. Prior to this Mr. Mair was connected with the Crane Company and Mr. Daniels with the Y.M.C.A., in an executive capacity. The agency is representing the Travelers,

Massachusetts Bonding, American Surety and the National Union. A life connection has not yet been announced.

MILLERS NATIONAL WINS TROPHY

The Insurance Basketball League championship in Chicago, which brought out some real talent and became a hotly contested battle as the season progressed, was won by Millers National, which scored a decisive victory over the American Auto, 30 to 27. The Home placed third. By winning the league championship, Millers National retained possession of the F. S. Danforth trophy, having been winner last year. The Danforth trophy is an original contribution of Millers National employees, interested in promoting insurance athletic competition, and is a circulating award. Other trophies were presented to league members according to their standing. Five teams were entered in the league, including the North America, Marsh & McLennan and Continental Casualty.

GLIDDEN IS EUROPE-BOUND

J. S. Glidden, manager of the Chicago Board, is sailing Friday of this week

from New York on the French Liner Champlain for a European visit. He will land in Italy and then progress northward through Switzerland and will have some time in England. He plans to be back about May 1.

WESTERN ADJUSTMENT BOWLING

The Western Adjustment, Chicago, which maintains an active bowling league, is nearing completion of its season, having three more weeks of competition. The sweepstakes will be held March 30. From all indications, H. C. Stevenson, captain of the Zephyrs, will be winner of the first prize in the individual round robin, six prizes being donated. The Rockets were in first place practically the entire season, but were beaten by the Streamliners recently, losing three games in one evening. Standings are: Streamliners won 37, lost 26; Rockets won 34, lost 29; Zephyrs won 29, lost 34; Hiawathas won 26, lost 37.

BOUTERSE WITH R. B. JONES

Clarence Bouterse, who was with Jones & Whitlock, Chicago, has become a partner in the Chicago office of R. B. Jones & Sons, and will manage the office. The office is also agent for the Kansas City F. & M., a company managed by R. B. Jones & Sons. Under the new setup the Chicago office, which

has been moved from 1319 to the 18th floor of the Insurance Exchange building in larger quarters, will expand activities in production, and handle more brokerage business in future. Heretofore the office has devoted efforts largely to service.

Fight N. J. Mutual Competition

At a luncheon-meeting in Newark of the New Jersey Agents Association, elaborate plans were laid for fighting mutual competition throughout the state.

Owen C. Stephan Is Dead

DETROIT—Owen C. Stephan, who had been manager of the automobile department of Kelly, Halla, Peacock, died recently. He was associated with the firm for the past nine years.

Heavy Loss in Brooklyn

Insurance loss in the Brooklyn Polytechnic Institute fire is estimated at \$100,000. The Institute is covered by \$863,000 insurance in the Liverpool & London & Globe through the Benedict & Benedict agency of New York City.

Charles H. Burras, president of Joyce & Co. of Chicago, is spending the month of March in Orlando, Fla.

1710

FOUNDED A. D. 1710

1938



STALWART AND ENDURING

The development of the Sun through the centuries to its present strength and power for service was not an accident. Growth was planned and guided and there are good and potent reasons for this development.

Good management—good underwriting—keen alertness to that which is best for its agents and assureds—sane progressiveness but with that touch of sound restraint that means enduring success—thus, this stalwart Company, the oldest in the world, has expanded and become greater and stronger through the years.

With the Sun Indemnity Company of New York, the Sun companies write practically every form of insurance except Life.

SUN INSURANCE OFFICE, LTD.

Patriotic Insurance Co. of America
Sun Underwriters Insurance Co. of New York

Head Office: 55 Fifth Avenue, New York City
Western Dept.: 309 W. Jackson Blvd., Chicago, Ill.
Pacific Coast Dept.: Swett & Crawford, General Agents
San Francisco, Calif.

FIRE AND CASUALTY AGENCY

LARGE DETROIT GENERAL AGENCY wants to buy local Wayne County fire or fire and casualty agency.

ADDRESS H-33, NATIONAL UNDERWRITER

Globe and Rutgers Fire Insurance Company

FRED A. HUBBARD
PRESIDENT

BALANCE SHEET AS AT DECEMBER 31, 1937

ASSETS

*Bonds—United States Government (Direct and Guaranteed).\$	1,017,848.90
*Bonds—All Other	3,269,175.49
*Stocks (Includes Subsidiary Companies at \$3,072,392.40)...	7,282,694.64
Cash on Hand and in Banks.....	1,915,590.63
Real Estate and Mortgage Loans.....	1.00
Premium Balances (Not over 90 days due), Accounts Receivable, etc.	286,533.38
Bills Receivable taken for Insurance Risks.....	12,830.51
Interest Due and Accrued.....	41,432.01
Mixed Claims Commission Award.....	1.00
	<u>\$13,826,107.56</u>

LIABILITIES

Reserve for Losses and Loss Expenses.....\$	392,968.45
Reserve for Unearned Premiums	1,442,338.88
Reserve for Expenses, Taxes and Contingent Commissions Due or Accrued.....	116,950.67
Loan from Bank (Maturity—December 31, 1938) (Secured by pledge of Bonds and Stocks of values at this date of \$3,425,626.70)	2,250,000.00
Redemption value of Cumulative Second Preferred Scrip...	5,057.23
Reserve for Retirement of Preferred Stock.....	2,549.13
**Reserve for General Contingencies.....	160,000.00
Reserve for all other Liabilities and Items.....	711,512.95
	<u>\$ 5,081,377.31</u>

Capital Stock:

***\$4.00 Cumulative First Preferred Stock (24,458 shares \$15.00 Par Value, including 1,558 shares held in Treasury for Retirement)	\$ 366,870.00
***\$5.00 Cumulative Second Preferred Stock (34,525 shares \$15.00 Par Value, including 1,183 shares held in Treasury for Retirement)	517,875.00
***\$5.00 Cumulative Junior Preferred Stock (5,000 shares \$15.00 Par Value).....	75,000.00
Common Stock (80,000 shares \$15.00 Par Value).....	1,200,000.00
	<u>\$2,159,745.00</u>

Surplus	6,584,985.25	8,744,730.25
		<u>\$13,826,107.56</u>

POLICYHOLDERS' SURPLUS \$8,744,730.25

* Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. Total values, based on December 31, 1937, market quotations for all except insurance and subsidiary stocks (subsidiary stocks other than insurance being taken at statutory, and insurance stocks being taken at statutory values with portfolios adjusted to market) are \$466,551.69 less than shown. There has been deducted an amount of \$231,758.07 representing interest in our own stock through ownership of stocks of other insurance companies. Securities carried herein at \$303,370.56 are deposited with Government and State Departments as required by law.

** Available to absorb the Company's share in possible declines in the values of real estate and mortgages owned by subsidiary companies.

*** Entitled on voluntary or involuntary liquidation to \$100.00 per share and accrued dividends.

HOME OFFICE

111 WILLIAM STREET, NEW YORK

NEW YORK

THREE NEW ASSISTANT MANAGERS

Three new assistant managers have been appointed in the New York office of the North America. Bernard Graham is assistant manager in the fire metropolitan department; George Hahn in the brokerage and service department and George Steier suburban department.

EXTENDED COVERAGE APPROVED

The extended coverage form, which replaces the supplemental contract, has now been approved in the east by the jurisdictions of the Middle Department, Washington, D. C., Baltimore and New York State, including this city. It has not yet been sanctioned in New Jersey, New Hampshire, the territory of the New England Insurance Exchange, nor in that of the Southeastern Underwriters Association. The anticipation is, however, that the bureaus in all of the fields that have not acted thus far will do so within a reasonable time. In the southern territory certain changes in the form used in the north are being worked out to take care of the windstorm and rental features, peculiar to the southern section.

CRUM & FORSTER HONORED

Crum & Forster, managers United State Fire, North River, Westchester and affiliated companies, were given special mention and a double page display in the current issue of "American Printer," one of the quality magazines in the printing-advertising field, covering the recent series of advertisements run in the insurance trade press, prepared by the Andrew Cone Advertising Agency of New York. The "American Printer" selects one advertiser each month to feature in a special insert, using as the measure of qualification outstanding typography and the effective use of the printed page, the Crum & Forster series being selected for this series this month. In this case, three of the Crum & Forster advertisements were reproduced to illustrate, as the magazine said, "how one concern broke away from the conventional, standardized style of most insurance trade advertising and at the same time created a sustained interest in its name and service." The ad series, involving an unusual and effective use of type to create visual background for the message, has been created by Hermann Kessler, art director, under the direction of R. D. Parker, vice-president of the Andrew Cone Advertising Agency. This agency handles several other insurance accounts, including that of the Phoenix Assurance-London Guarantee group, which has attracted widespread attention among fire and casualty underwriters.

Manning Heads Brooklyn Agents

W. J. Manning was elected president of the Brooklyn Fire Agents Association at the annual meeting. C. D. Fraser is vice-president, A. B. Sohl is secretary and S. J. Corsa is treasurer.

Pass Favorite Broker Bill

ALBANY—The assembly has passed and sent to the governor the bill to prohibit officers of domestic life companies from requiring a borrower on a mortgage to negotiate insurance through a particular broker. This bill is known as the favorite broker bill and has been in the legislature for more than 20 years. It passed the assembly with just one dissenting vote.

California Enabling Legislation

SAN FRANCISCO—A measure before the California legislature now in special session will give the exposition commission the right to insure property of the state in the Golden Gate International Exposition.

Ultimatum on Merger Is Given to Boston Board

Must Yield Its Authority to New England Rating Association by April 1

BOSTON—An ultimatum from the companies of the Eastern Underwriters Association, represented by the New England Fire Insurance Rating Association, to the Boston Board that that board must be prepared to merge itself, with the New England Insurance Exchange and the Providence Board, in the new rating association on April 1, was announced to the members of the Boston Board in a communication received from President George G. Bulkeley of the New England Fire Insurance Rating Association.

The controversy between the companies and the Boston Board has been going on for nearly a year, with the Boston organization steadfastly refusing to yield its corporate identity and rating powers in the metropolitan Boston district to become a part of a single New England organization, at the dictation of the E. U. A. companies.

At numerous conferences during the year slight concessions have been made by the company representatives from time to time. Some more minor concessions are granted in the pronouncement made this week.

Insists on Merger Order

The New England Fire Insurance Rating Association held its adjourned annual meeting in Boston last week. At that meeting it took definite action looking to insistence upon its order for the merger of the New England, Boston and Providence Boards. Communications were sent to the three bodies and on Friday the decision came formally before the directors of the Boston Board. Tuesday the full membership of the board was informed.

The orders of the N. E. F. I. R. A. communication are very definite and decisive. The Boston Board will yield up its rating power and join the merger or the support of the companies, which has been on a monthly basis in recent months, will be stopped.

There are, however, some very satisfying and consoling concessions made to the sixty year old Boston corporation. The Boston Board will continue to hold charter as a Massachusetts corporation. It will even be provided with an office and the new rating association will also pay the salaries of a manager, enforcement officer and necessary secretaries. All employees of the present board will be taken over by the new association to carry on the rating work for the Boston area.

Status of Mutual Members

The Boston Board will be allowed to continue its enforcement activities in maintaining compliance with the board rules and the handling of agents and brokers. Its equity in schedules and its fund of \$25,000 will also be preserved.

The most mooted point, regarding the standing of the mutual companies now included in the Boston Board membership, has been met by providing that the mutuals shall be provided with the rate schedules of the New England Fire Insurance Rating Association. They will not, however, have access to the reduced or competitive rates.

Following the meeting of the Boston Board Tuesday, the entire situation was referred to the counsel of the board for advice and guidance. Among those who have been consistently steadfast in opposing the merger, however, it was generally conceded that the dictum of the companies would have to prevail, although it was contended it might not be possible to attend to all details of the transaction in time to have the new system in operation by April 1.

(CONTINUED ON PAGE 44)

London Lloyds Is Resuming New Writings in Illinois

Machinery Perfected for Regulating Operations in State; to Terminate 5-Year Endorsements

London Lloyds this week after a halt of two months resumed writing new business in Illinois. Announcement lifting the stop order was sent to all Illinois agents of Lloyds by John S. Lord of Chicago, Illinois attorney-in-fact.

He also announced London Lloyds' decision to terminate at next anniversary date the policies with five year endorsements which were put on fire, automobile and workmen's compensation policies in Illinois as an emergency measure last year, when there was some doubt that Lloyds' license would be renewed. This action was in line with a ruling by Insurance Director Palmer of Illinois that any such policies amended by endorsements and providing for instalment payment of premium must be so terminated at the next anniversary date. The department holds the collection of instalment premiums on such business is illegal as London Lloyds is not licensed in Illinois to write these classes of business.

Lord's Announcement

Mr. Lord stated that such fire and automobile risks can be rewritten only if they are surplus line risks and then only by licensed surplus line brokers, but workmen's compensation may not be rewritten under any circumstances.

This action does not apply to policies written for a long term on which the entire premium was paid in advance, but does apply to any changes made in such policies which increase the risk or coverage of the original policy. Mr. Lord pointed out that no new automobiles may be added as a part of the coverage under the present contract, whether they be in addition to or in lieu of automobiles now covered.

Much Closer Regulation

London Lloyds will accept business only from licensed Illinois agents who have signed the agreement with Lloyds recently required, which among other things stipulates that all their business shall clear through the attorney-in-fact. Daily reports will be made to Mr. Lord's office. He is to be furnished by all Illinois licensed Lloyds agents copies of their master contracts with London Lloyds and his office is to countersign all policies. In addition, the agents must employ only adjusters and attorneys who have signed similar agreements and report to the attorney-in-fact. This arrangement, it is believed, gives a complete check on their business.

Mr. Lord notified that since the Illinois code requires filing with the department, policies, certificates and endorsement forms that are generally used, all Lloyds agents in Illinois should present their forms to him for filing. In addition they must furnish him a copy of each binding authority received from London Lloyds, or if this has not been received from London, at least a copy of the letter or cable furnishing such authority.

Quarters Are Enlarged

Large additional quarters have been taken by Mr. Lord on the 25th floor of the Field building, Chicago, directly above his present office, to permit carrying out his increased functions under the new working agreement with the Illinois department. The newly formed Surplus Line Brokers Association will have its office there, from which the secretary, D. J. Kadyk, will direct the writing of surplus lines in Illinois. The attorney-in-fact division of Mr. Lord's legal firm, Lord, Lloyd & Bissell, will be quartered there as well. The two offices will be connected by a private stairway.

(CONTINUED ON PAGE 44)

EXPERIENCE 1937 BY LINES

Allemania, Pa.			
	Net Prems.	Losses	Pd.
Fire	\$1,158,946	\$	418,826
Motor vehicle	100,490		39,025
Earthquake	10,624		19
Tornado-windstorm ..	94,704		19,512
Hail	13,838		8,167
Sprinkler leakage ..	4,947		980
Riot and explosion ..	29,307		7,283

American, N. J.			
	Net Prems.	Losses	Pd.
Fire	\$9,039,869	\$	3,219,021
Ocean marine	555,972		324,233
Motor vehicle	1,230,295		580,824
Earthquake	26,405		138
Inland marine	971,191		659,559
Tornado-windstorm ..	1,060,152		305,826
Hail	148,566		107,120
Sprinkler leakage ..	21,147		5,854
Riot and explosion ..	110,275		9,280
Aircraft	2,234		142
Other lines	31,011		17,704

American Equit.			
	Net Prems.	Losses	Pd.
Fire	\$3,591,683	\$	1,343,357
Ocean marine	35,932		25,521
Motor vehicle	403,864		251,296
Earthquake	8,134		167
Inland marine	11,731		4,378
Tornado-windstorm ..	172,220		53,153
Hail	23,963		5,719
Sprinkler leakage ..	13,628		3,977
Riot and explosion ..	18,762		2,721
Other lines	90,149		9,990

(CONTINUED ON PAGE 45)

National Fire Western Branch Has Some Illustrious Alumni

Dean H. Dresser of Chicago, retiring assistant western manager of the National Fire of Hartford, in his historical sketch that he gave at the banquet last week during the celebration of the 50th anniversary of the founding of the department by Fred S. James, recounted a number of men who had formerly been connected with the western department after October, 1891, when he went with the office, who had become well known in the business.

For instance, E. B. Hatch, who later became secretary of the Western Union, now the Western Underwriters Association, was an examiner. John F. Stafford, who became western manager of the Sun, was a subagency policy writer. W. L. King, who later was assistant western manager of the Providence Washington, was an examiner. Henry Morrison, who was later assistant western general agent of the Hartford, was abstract clerk.

Fred J. Sauter, now a well known Chicago local agent and president of the Automobile Protective & Information

Bureau, was cancellation clerk. J. G. Hubbell was in charge of the improved risk department, he now being manager of the National Inspection Co. of Chicago. Henry L. Bogue of Detroit, who is superintendent of the Michigan Audit Bureau, was an examiner. Alfred Stinson, who became vice-president of the Minneapolis F. & M., and now is vice-president of the Automobile of Hartford, was Minnesota state agent. E. E. Wakefield, agency superintendent, later became assistant United States manager of the Fred S. James & Co. companies. O. F. Wallin, assistant manager, later became assistant United States manager of the Fred S. James & Co. companies. W. H. Gartside, who was an examiner, later became an assistant western manager of the Fireman's Fund and is now a Chicago broker. D. E. Monroe, assistant manager of the Commercial Union group, was Illinois state agent. Fred D. Hougham, who was special agent in North Dakota, became secretary of the

(CONTINUED ON PAGE 44)

The American Insurance Company NEWARK, NEW JERSEY

NINETY-SECOND ANNUAL STATEMENT

December 31, 1937

ASSETS

United States Government Bonds	\$ 3,246,436.92
Railway and Other Bonds and Stocks	15,191,430.61
Real Estate (Company Occupied)	3,280,618.53
Real Estate (All Other)	561,178.84
Bonds and Mortgages Insured by Federal Housing Administration	966,533.16
Other Bonds and Mortgages	1,136,135.00
Cash in Banks and on Hand	2,823,859.74
Premiums Outstanding (Not Over 90 Days Due) ..	1,616,089.63
Interest Due and Accrued	87,955.73
Reinsurance Recoverable on Paid Losses	105,417.77
	<u>\$29,015,655.93</u>

LIABILITIES

Reserve for Unearned Premiums	\$11,982,022.96
Reserve for Losses in Process of Adjustment	1,976,453.00
Reserve for Taxes	785,000.00
Special Reserve Fund	300,000.00
Reserve for All Other Claims	585,891.88
Capital	3,343,740.00
Surplus	10,042,548.09
	<u>\$29,015,655.93</u>

Surplus as Regards Policyholders

Note: Securities carried at \$467,724.75 in the above statement are deposited as required by law.

EDITORIAL COMMENT

Real Nemesis of Claim Faker Appears

PROBABLY at no time has there been so much ground for hope as there is today that conniving doctors, venal lawyers and accident fraud rings in general may meet their nemesis. The new claims bureau of the ASSOCIATION OF CASUALTY & SURETY EXECUTIVES is providing strong and realistic leadership and there seems to be good reason to hope that this organization may rally the forces of justice in an effective crusade. FRANK M. PARRISH, the general solicitor, and WAYNE MERRICK, the chief investigator, have had impressive records in crime detection work and they seem to be approaching the job in a knowing and spirited way. That meeting in NEW YORK last week of some 100 company claims executives indicated that the companies now are enthusiastic and believe that at last there is a chance of really getting somewhere.

Isolated and sporadic attempts to get results have proved discouraging. Company people locally might turn over to the authorities information about the operations of claims fakers but more often than not the prosecuting authorities were indifferent. They would say that they must have an open and shut case and they would put the problem back in the lap of the company representative. Most prosecuting authorities are equipped on their own initiative to handle only routine types of crime. They are likely to be dismayed by anything more complicated than the finding of a body of a

man with a bullet in his head. In fairness to the authorities it may be said that the ordinary insurance company claims executive probably does not appreciate the prosecutor's problem and does not present the case in such a way as to give much encouragement to the prosecutor.

Wherever the fault may have been, the result was that claims executives became disillusioned and ceased aggressively to initiate prosecution.

Mr. PARRISH and Mr. MERRICK know the problems of the authorities; they know how to present the information and how to get the authorities to act. They are probably astute enough to realize that more effective results can usually be obtained by letting the prosecution appear to be initiated by the authorities and let the authorities get the credit. That is the theory upon which the NATIONAL BOARD has operated most successfully. The fact that the special agents in the arson division of the NATIONAL BOARD have been instructed to cooperate with the claims bureau of the casualty executives association in any way they can is encouraging.

It becomes quite apparent that what has been needed has been effective national leadership and this, we believe, the claims bureau of the casualty executives association is destined to supply splendidly. This is a movement of the utmost significance.

Frederick Richardson Leaving America

THE announcement that FREDERICK RICHARDSON, United States general attorney and managing director of the GENERAL ACCIDENT, will return to the head office in his official capacity as deputy chairman is received with regret from a personal standpoint by his many friends in insurance who have come in contact with him and appreciate his fine ability, charm of manner and gracious nature. Mr. RICHARDSON has endeared himself to

America. He has become a part and parcel of the insurance structure on this side. Although independent in thought and action so far as underwriting policy is concerned, he has never been what we generally term "a mean competitor." At banquets and other public gatherings Mr. RICHARDSON's contributions have revealed his high ability, keen sense of wit, his spontaneity and his facility of expression.

New Hope for Long Haul Truck Industry

THE report that a syndicate of strong stock companies may get into the long haul truck insurance field is received with great interest by business producers who realize that there is urgent and strong need for a substantial insurance market in this direction. We must not discredit the attempts that already have been made in the effort to bring order out of chaos in the long haul truck insurance industry. The larger

companies have not experimented in this field to any great extent. It is true that the insurance graveyard has been fattened because of the severe losses brought to companies lacking financial ballast, in attempting to enter a most hazardous line. The competition among truckers themselves has been a factor in encouraging companies lacking sufficient financial strength to attempt to make the grade. Large volumes of pre-

miums are offered and they are exceedingly alluring. This has led to much trading and bargaining.

Those that have studied the field carefully and have made an intelligent survey realize that after all the syndicate or pool method is the only answer to the development of a satisfactory insurance market. For a single company to bear the inspection, road patrol, investigation of truckers, maintenance of records of individual risks, drivers and pursue also educational work would be too heavy. Yet that is the answer to the problem. By syndicating all this expense the cost to the policyholder naturally

will not be nearly as great as if it were undertaken by a single company. In fact, if a single company endeavored to meet these demands as they should be, the insurance cost to the truck men would be prohibitive.

The companies that have already been engaged in long haul truck insuring have had sufficient experience to show others what should be done. It is encouraging now to feel that there is a serious effort being made to have strong stock companies undertake this highly important work. In this connection there should be a weeding out of incompetent and insecure truckers.

PERSONAL SIDE OF BUSINESS

Western Manager George H. Bell of the National Fire of Hartford left following the 50th year anniversary roundup in his department last week for Pompano, Fla., where he and Mrs. Bell are located at the Hillsboro Club. They will remain there for a month.

W. H. Riker, western manager North America, and Mrs. Riker are leaving the latter part of this week for a four weeks' vacation in Florida. They shipped their car to Jacksonville, Fla., and from that point will tour various sections of the state.

E. S. Raymond, vice-president of Marsh & McLennan of Detroit, left Sunday for an extended vacation at Phoenix, Ariz., accompanied by Mrs. Raymond and their daughter Ruth.

J. C. Hayden, who has just been transferred to Indianapolis by the Marine Office of America, is a son of Chester M. Hayden, vice-president and Chicago manager of the Glens Falls and president of the Chicago Board. J. C. Hayden has been with the Marine Office of America in Chicago about four years. He joined that organization after completing his studies at Purdue University.

R. P. Barbour, United States manager of the Northern Assurance, accompanied by Mrs. Barbour, has been spending a few days at Augusta, Ga.

C. C. Jones of the Kansas City Fire & Marine and R. B. Jones & Sons agency is on an eastern visit. He has just returned from a motor trip to Mexico City. On his way to New York, he stopped for a day in Chicago.

J. Ralph Trobaugh, 47, for 13 years southern Illinois special agent for the Security of New Haven and its affiliates died Monday at his home in Salem, Ill., as the result of a stroke suffered earlier in the day. Funeral services are being held Thursday afternoon at Salem.

Miss Eleanor McKernan of West Hartford has just completed 25 years as secretary to the Connecticut insurance commissioner. In that time she has worked with ex-Commissioners Burton Mansfield and H. P. Dunham, and now John C. Blackall. The state insurance force has tripled in size during the time she has been connected with it, there

having been but 20 people employed when she first started to work in the department.

R. M. Bissell, president of Hartford Fire, expects to return to Hartford the latter part of April. He has been at Yeamans Hall, near Charleston, S. C., for some time, where he has been convalescing from a serious illness. He was stricken on a golf course there last autumn.

John H. Mahon, head of the Columbus, O., local agency of John H. Mahon Company, has been appointed by the mayor of that city as one of the five civilian members on the Columbus traffic commission. Its duty is to study traffic problems, make recommendations concerning traffic to the city council and safety director, employ consulting engineers and hear advice of public and traffic experts.

Lieut. Gov. Paul P. Yoder of Ohio, who is engaged in the insurance business at Dayton and Eaton, is seriously ill in a hospital in Dayton.

Dana L. Jones, Indiana state agent of the Ohio Farmers, was in Terre Haute, Ind., with Charles E. Curtis, home office attorney. At dinner Mr. Curtis had ordered the waitress, turning to Mr. Jones, spied his Blue Goose pin on the lapel of his coat, which he, as most loyal gander of the Indiana Blue Goose, always wears. "All right," she said blithely, "and what will little Donald Duck have for dinner?"

J. W. Rodger, Jr., Kansas City manager for the St. Louis Fire & Marine, and his bride of a few weeks had a narrow escape from death when their automobile turned over near Gumbo, Mo. Mr. Rodger suffered a few fractured ribs and other minor injuries, while his wife came out of the wreck with only a few bruises. He is a son of the manager of the Fire Underwriters Association of St. Louis and secretary of the Missouri Association of Insurance Agents.

Maj. John W. Cook, a vice-president of F. D. Hirschberg & Co., St. Louis, and Mrs. Cook have returned from a trip to Mexico City. They were away about a month.

At the complimentary dinner given A. W. Werninger of Huntington, W. Va., dean of the local agents in his city,

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head of the Werninger & Brown agency, affectionately known as "Uncle Gus." C. W. Thornburg, head of the Thornburg Insurance Agency and at one time a partner of Mr. Werninger, was the chief speaker and recalled many incidents in his career. He said that Mr. Werninger was one of the city's first civic leaders. He was assistant secretary of the first chamber of commerce of Huntington. Hubert S. Ellis of Huntington, secretary of the West Virginia Association of Insurance Agents, acted as toastmaster. E. B. Sims, state auditor, and Deputy Insurance Commissioner Harlan Justice were special guests. They commended the Huntington Board of Fire Underwriters, which gave the dinner. Huntington is recognized for its splendid agents.

W. F. Watson, vice-president Globe & Rutgers, and **Bladen Manning**, a leading general agent of Dallas, accompanied by their wives, have completed a most enjoyable trip to Mexico City and other points of the country, inspired largely through the enthusiastic accounts of the southern republic by C. F. Thomas, secretary Western Underwriters Association. Mr. Thomas is an enthusiastic traveler in Mexico and never tires telling of its many attractive features.

Vice-president **Harry A. Yates** of the National Union Fire is on a South American cruise. He is accompanied by his daughter.

Clarence A. Rich has returned to New York from a trip to Texas and Chicago. He made a number of calls in Chicago, where he is well known, since he was formerly manager of the Underwriters Adjusting there.

W. V. Fort, local agent of Waco, Tex., has returned from St. Louis, where he was in Barnes hospital undergoing treatment for complications following an accident while fishing. A fishhook became imbedded in Mr. Fort's hand and serious trouble developed. He is now making a satisfactory recovery.

L. R. Choate of Peoria, central Illinois special agent for the Home, has been confined for about a month, due to injuries suffered in an automobile accident near Havana, Ill. He is making a satisfactory recovery and will probably be on the job in about two weeks.

E. H. Woods, 45, senior member of the firm of Hinkley & Woods of Boston, since the death of his father last June, died suddenly from heart disease. He graduated from Harvard in 1914. After a year with the Underwriters Bureau of New England, Mr. Woods joined his father's agency and in 1917 became a member of the firm.

W. S. Dutton, 65, president of Daniel S. Viles & Co. agency, Waltham, Mass., died there. He had been with the agency since 1889 and purchased it in 1909 from Mr. Viles, who had established it in 1862.

R. B. Anderson, special agent of the National group, starred in the big annual ice carnival at Spokane, Wash.

C. J. Fitzpatrick, 58, general agent of the London Assurance in Detroit for 18 years, died there.

A. L. Owen, Virginia special agent of the Alliance and Philadelphia Fire & Marine, is back in the field after having been in a Richmond hospital for several weeks recovering from an operation for double hernia.

H. A. Bush, assistant western manager of the Fireman's Fund, returned to his office at Chicago this week after a stay of five weeks in Sarasota, Fla. He was stricken with pneumonia the day before Christmas and after getting in shape to travel, he went to Florida. He is now in good condition. Walter A. Sawyer of Cleveland, Ohio state agent of

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Mar. 7, 1938

	Par.	Div.	Bid	Asked
Aetna Cas.	10	3.00*	84	87
Aetna Fire	10	1.60	42 1/2	44 1/2
Aetna Life	10	1.10*	24 1/2	26
Agricultural	25	3.25*	67	69
Amer. Alliance ..	10	1.20*	21	22
Amer. Equitable ..	5	1.80*	26	27 1/2
American (N. J.) ..	2.50	.60*	11 1/2	12 1/2
Amer. Surety	25	2.50	42	44
Automobile	10	1.20*	26 1/2	28
Balt. Amer.	2.50	.30*	5 1/2	6 1/2
Bankers & Ship. ..	25	5.00	77	79
Boston	1.00	21.00	575	590
Camden Fire	5	1.00	18 1/2	20
Carolina	10	1.30	21	22 1/2
City of N. Y.	10	1.20	18	20
Contl. Cas.	5	1.20	23 1/2	25
Contl. N. Y.	2.50	1.80*	30	32
Crum & For. com. ..	10	1.00	22	24
Employers Re.	10	1.60	40	42
Fed. (N. J.)	10	1.40	36	38
Fidelity & Dep.	20	2.00	98	100
Fidelity-Phen.	2.50	1.80*	30	32
Fire Assn.	10	2.50*	53	55
Firemen's (N. J.) ..	5	.30	8	9
Franklin	5	1.40*	26 1/2	28
Gen. Reinsur.	5	2.00	35	36
Gibraltar F&M ..	10	1.40*	21	22 1/2
Glens Falls	5	1.60	37	39
Globe & Repub.	5	.85*	13	14
Gl. & Rut. (com.) ..	25	...	29	31
Gt. Am. Fire	5	1.20*	23 1/2	24 1/2
Gt. Amer. Ind.	1	.20	8	10
Halifax Fire	10	1.00**	22 1/2	23 1/2
Hanover Fire	10	1.60	29	31
Hartford Fire	10	2.00	65	67
Htd. Steam Boil. ..	10	1.60	53	55
Home Ins. (N. Y.) ..	5	1.60*	37 1/2	38 1/2
Homestead	10	1.00	15	16 1/2
Ins. Co. of N. A.	10	2.50*	56	58
Kan. City F&M ..	10	.60	15 1/2	17 1/2
Knickerbocker	5	.80	10	12
Lincoln F. (new) ..	5	...	2	2 1/2
Md. Cas.	1	...	3 1/2	4 1/2
Mass. Bond.	12.50	3.50	46 1/2	48
Mer. & Mfrs.	5	.60	8	9
Mer. Assur. com. ..	5.00	1.70*	42	44
Natl. Cas.	10	1.00	19	21
Natl. Fire	10	2.00	65	67
Natl. Liberty	2	.40*	6 1/2	7 1/2
Natl. Union	20	5.00*	115	120
New Am. Cas.	2	.60	10	11
New Brunswick F. ..	10	1.70*	27	29
New Hampshire.	10	1.80	40	42 1/2
New Jersey	20	2.50	38	40
Northern (N. Y.) ..	12.50	5.00*	79	82
North River	2.50	1.20*	24	26
N. W. Natl. Fire.	25	5.00	115	120
Pacific Fire	25	6.00	99	102
Paul Revere Fire ..	10	1.30	21 1/2	23
Phoenix, Conn.	10	2.50*	72	75
Preferred Accel.	5	1.00*	14 1/2	15 1/2
Prov. Wash.	10	1.40*	30	32
Republic, Tex.	10	1.20	23 1/2	25
Rossia	5	...	4 1/2	5 1/2
St. Paul F. & M.	25	7.50*	185	195
Security	10	1.40	28	30
Sprgfd. F. & M.	25	4.75*	115	119
Travelers	100	16.00	420	426
U. S. Fire	4	2.50*	48	50
U. S. F. & G.	2	...	13	14
Westchester Fire ..	2.50	1.60*	30	32

*Includes extra. **Canadian funds.

the Fireman's Fund, was in Florida for a week or so while Mr. Bush was there. Mr. Sawyer is remaining in Florida for a time.

Joseph A. Kelsey of New York City, president of the Standard of New York, returned Monday from an outing in Bermuda, Mrs. Kelsey and their daughter, Miss Margaret, accompanying him.

Wilford A. Mason, 37, a partner in the Mason & Fauth agency, Flint, Mich., was killed in an automobile accident. Mr. Mason, who had operated the agency with Gerald W. Fauth since 1926, was instantly killed when his car struck a truck which had halted at a railroad crossing.

Annotate Illinois Code

The insurance committee of the Illinois Bar Association is currently engaged upon an annotation of the new Illinois insurance code. This is a laborious task and it is now about 50 percent completed. The work is in general charge of Attorney H. S. Moser of Chicago and Prof. Havighurst of Northwestern University.

Fire Apparatus Committee

The new National Fire Protection Association committee on municipal fire apparatus will hold its initial meeting in Buffalo, March 14-15, with J. N. Sullivan, commissioner of public safety and chief of the Utica, N. Y., fire department, as chairman.

Kentucky, Mississippi and Virginia Change Tax Base

The Kentucky legislature, before adjourning, passed the bill to make the premium tax apply to net direct premiums written instead of net retained premiums. The Virginia legislature passed a similar law. In both states previously, the tax was on the basis of gross premiums, less return premium, less premiums paid for reinsurance to admitted companies. In both states the returns for 1937 are to be upon the new basis. Those companies that have already remitted have been instructed to give checks for the difference.

The Mississippi commissioner has now called upon the companies to remit for 1937 on the net direct basis. The Mississippi law permits a company to deduct premiums paid for reinsurance to admitted companies if the reinsurer pays the tax on that portion. However, under the recent decision of the United States Supreme Court in the Connecticut General Life case the commissioner has no power to require reinsurers to pay such a tax.

A bill to make the premium tax apply on the direct basis was introduced in the New Jersey legislature at the instance of the New Jersey department

and has passed the assembly.

Commissioner Harrison of Arkansas has requested an opinion from the attorney-general on the effect of the Connecticut General Life decision on the premium tax situation in Arkansas. In that state, the tax is upon the net, retained basis. Mr. Harrison states there is no disposition on the part of the companies to dodge the tax and he advises the attorney-general that the companies would not object to a change in the law to provide for a tax on the net direct premiums written. A special legislative session of the Arkansas legislature is scheduled to get under way by March 14 and it is possible that an amendment might be offered at that time.

The California legislature now in special session is considering a constitutional amendment which will change the premium tax basis to net direct writings.

Reverse Second Reece Conviction

NASHVILLE—J. I. Reece, former Tennessee commissioner, who has completed a three to 10-year sentence for grand larceny, obtained a reversal by the Tennessee supreme court on the additional three to six year conviction for embezzlement of more than \$16,000 in state funds. The court held that his plea of former jeopardy should have been sustained.

Presenting our annual STATEMENT OF CONDITION as of December 31, 1937

Assets		% of Total Assets
Cash on Hand and in Banks.....	\$ 202,756.13	12.6%
U. S. Government Bonds.....	\$270,856.98	
State County and Municipal Bonds	171,350.00	
Corporation Bonds	195,981.25	
Total Bonds.....	638,188.23	39.8%
Corporation Stocks.....	346,635.00	21.6%
Real Estate First Mortgages.....	50,300.00	3.1%
Collateral Loans.....	7,300.00	.5%
Home Office Building.....	206,107.37	12.8%
Accrued Interest on Securities Owned ..	7,130.49	.4%
Due from Agents (Balances less than 90 days old)	52,883.24	3.3%
Due from Reinsurance Companies.....	19,547.80	1.3%
Impounded Premiums deposited with State of Missouri	73,788.59	4.6%
	\$1,604,636.85	100.0%
Securities at Actual Market Value December 31, 1937		
Liabilities		
Reserve for Outstanding Claims in Process of Adjustment	\$ 45,008.41	
Reserve for Unearned Premiums.....	408,281.76	
Reserve for Taxes.....	15,501.43	
Reserve for Impounded Premiums, State of Missouri	74,632.16	
Reserve for All Other Liabilities.....	10,418.04	
Total Liabilities	\$ 553,841.80	
Capital Surplus	\$500,000.00	
	550,795.05	
Surplus to Policyholders.....	1,050,795.05	
	\$1,604,636.85	

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MISSOURI

AMERICAN AUTOSURANCE

—a specialized protective
service for the car owner—
as distinctively modern and
comprehensive as the word implies—



Total Admitted Assets \$19,155,032.
Surplus to Policyholders \$7,305,654,
As of December 31, 1937

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ST. LOUIS, MISSOURI

"Oldest and Largest Insurers of Automobiles Exclusively"

The NATIONAL UNDERWRITER

March 10, 1938

CASUALTY AND SURETY SECTION

Page Nineteen

Solution to Auto Rating Tangle in Illinois Found

Palmer and "Occupational" Writers Reach Compromise

A solution to the tangled automobile rating situation in Illinois now seems to be in sight.

Insurance Director Palmer announced the other day that the hearing on the so-called occupational rating plan, which was to have been held in Springfield Wednesday of this week, has been indefinitely postponed. Subsequently he issued a bulletin stating that General Accident which had initiated the request for the most recent hearing on the subject, had withdrawn its rating plan and advised of its intention to file a substitute plan, which Mr. Palmer says he will accept. Mr. Palmer states that other companies whose occupational rating plans he has challenged, will follow suit.

Outlines Acceptable Plan

An acceptable plan, Mr. Palmer states, will provide a differential in rates for private passenger automobiles used for business purposes and those not so used. These plans will not provide any differential for private passenger automobiles based on a classification of automobile owners by occupation, profession or employment.

Mr. Palmer states that from the outset of the controversy, he has indicated that he has been prepared to give favorable consideration to such a plan.

Some of the occupational rating companies, as a matter of fact, have been using the type of plan that Mr. Palmer states he will now approve. The plan of General Accident and some of the others, however, provided that the discount shall be available to those in certain enumerated occupations who do not use their cars in business. Mr. Palmer contended that such provision was discriminatory in that a motorist in one of the named occupations might enjoy the differential although in all other respects he might coincide with another motorist in a different employment who could not get the discount.

Safe Driver Reward Plan

This settlement of the occupational rating dispute paves the way for the National Bureau of Casualty & Surety Underwriters to file its safe driver reward plan in Illinois. There will probably be a hearing on this plan but observers predict that there will be no hitch and that it will be approved.

American Automobile will now withdraw the action it started in Cook county courts to restrain Insurance Director Palmer from prohibiting use of its plan.

Mr. Palmer has advised those companies that have filed occupational rating plans which have not been approved, if they desire to make a substitute filing in

Stock Casualty Premiums Total \$753,282,828 in '37

Stock casualty company premiums totaled \$753,282,828 in 1937, according to compilations of the Argus Casualty Chart department of THE NATIONAL UNDERWRITER. This was for 138 companies. The total in 1936, for 136 companies, was \$686,819,927. The total for bureau companies in 1937 was \$493,749,320 compared with \$453,347,235 in 1936. Total for non-bureau companies in 1937 was \$259,533,508, compared with \$233,472,692. The Continental Casualty is included with the bureau companies.

This list includes only multiple-line casualty companies.

Some of the miscellaneous premiums are automobile fire and theft, written by full cover companies; full cover automobile, not classified, automobile cargo, automobile accident, etc.

Totals for the various lines are as follows:

	1937	1936
Auto Liab.....	\$218,807,354	\$199,408,772
Bureau	118,335,684	108,519,450
Non-Bureau ...	100,471,670	90,889,322
Auto P. D.....	60,394,698	55,223,590
Bureau	32,577,154	30,577,673
Non-Bureau ...	27,817,544	24,645,917
Auto Coll.....	8,686,052	7,816,131
Bureau	2,113,095	2,262,664
Non-Bureau ...	6,573,047	5,553,467
Accident	37,989,109	33,900,356
Bureau	31,774,819	28,706,595
Non-Bureau ...	6,214,290	5,193,761

Roth Joining Towner Bureau

Surety Underwriter of the Ocean Accident and Columbia Casualty—Will Assist President Martin W. Lewis

NEW YORK—E. Vernon Roth, a surety underwriter of extended experience, will retire as superintendent of the bonding department of the Ocean Accident & Guarantee and Columbia Casualty to become assistant secretary of the Towner Rating Bureau, where he will be assigned general duties and in addition will act as counsel, according to Martin W. Lewis, president of the bureau.

Mr. Roth began his underwriting career at the head office of the Fidelity & Deposit, serving both in office and field. Following the war period he joined successively the staffs of the London & Lancashire Indemnity and Na-

conformity with the department's decision, it will receive favorable action.

At the "informal" hearing in Springfield a few weeks ago, which was called at the instance of General Accident, Insurance Director Palmer on two or three occasions made the statement that he would approve a plan that distinguished merely between business and non-business use of an automobile.

Apparently Mr. Palmer will not approve a plan which includes a third classification, consisting of students, saloon keepers and other so-called prohibited risks, for which a penalty rate is charged.

	1937	1936
Health	18,009,260	15,042,765
Bureau	15,231,041	12,593,218
Non-Bureau ...	2,778,219	2,449,547
Work. Comp.....	171,734,912	149,261,802
Bureau	116,795,643	103,268,417
Non-Bureau ...	54,939,269	45,993,385
Liab. Ex. Auto....	79,739,399	73,317,576
Bureau	59,711,020	55,503,027
Non-Bureau ...	20,028,379	17,814,549
Fidelity	41,450,082	41,219,403
Surety	43,901,370	45,687,294
Plate Glass.....	10,909,454	10,633,237
Bureau	7,785,607	7,561,915
Non-Bureau ...	3,123,847	3,071,322
Burglary & Theft	28,333,782	27,652,014
Bureau	21,753,665	21,014,278
Non-Bureau ...	6,580,067	6,637,736
Steam Boiler.....	9,006,327	6,876,008
Bureau	8,186,159	6,318,544
Non-Bureau ...	820,168	557,464
Engine & Mach..	5,510,110	2,933,721
Bureau	5,137,491	2,657,132
Non-Bureau ...	372,619	276,589
P. D. & Coll. Not		
Auto	4,692,664	3,955,671
Bureau	3,374,691	2,860,439
Non-Bureau ...	1,317,973	1,095,232
Miscellaneous ..	14,118,306	13,891,582
Bureau	2,332,465	2,168,346
Non-Bureau ...	11,785,841	11,723,236
Total	\$753,282,828	\$686,819,927
Bureau	493,749,320	453,347,235
Non-Bureau ...	259,533,508	233,472,692

tional Surety, joining the Ocean Accident in 1924.

Joseph H. Fischer has been appointed manager of the fidelity and surety department of the Ocean Accident and Guarantee and Columbia Casualty to succeed Mr. Roth. He has been connected with the Ocean Accident since 1911, serving practically the entire time in the fidelity division of which he has been superintendent for the past four years.

Duke Makes Big Life Deal

A. Morgan Duke, head of the Commercial Standard of Fort Worth, has just consummated an important life insurance deal in Texas. Gulf States Life of Dallas, in which Mr. Duke has been the main factor for some time, has purchased the Southland Life of Dallas. The combined company will be operated under the title of Southland Life.

Gaedke-Miller a Winner

With a 1937 volume of approximately \$600,000 in premiums for the Maryland Casualty, the Gaedke-Miller Agency of Milwaukee, general agent for Wisconsin and upper Michigan, won first prize for volume and classification in competition with many similar volume writing agencies in the United States and Canada.

Reilly Now N. J. Commissioner

With the confirmation by the New Jersey senate of Louis A. Reilly as commissioner of banking and insurance of New Jersey, Mr. Reilly took the oath of office Tuesday.

Bar Association, Insurers Move to End Adjuster Row

Conferees Seek to Reach Understanding Before A. B. A. June Meet

NEW YORK—The Association of Casualty & Surety Executives has notified its members by bulletin that the American Bar Association is now prepared to have conferences with the insurance companies in an endeavor to effect a settlement to the issue about the handling of company claim matters by so-called lay adjusters.

In various states, notably Missouri, during the past two or three years, bar associations have caused the casualty companies considerable annoyance by advocating legislation, instituting action against individuals and stirring up sentiment in favor of forcing casualty companies to have every detail of their claim work handled by lawyers. Apparently a good many of the lawyers have come to the conclusion that this agitation has done the bar no good; that even if these regulations should be forced upon the companies very few of the lawyers would derive any practical benefit from it and that the bar would be stigmatized for having pursued racketeering labor union practices.

The casualty executives association some time ago sent a questionnaire to members inquiring about various features of how they handle claims.

On Feb. 18, in Detroit there was a spirited conference on the general subject that was called by the committee on unauthorized practice of the American Bar Association and the committee on lay adjusters of the insurance section of the American Bar Association. This was attended by about 40 insurance people. An agreement was reached to hold further conferences. Several of the insurance organizations will probably constitute a committee to confer with the American Bar Association group and there will probably be some conferences so that a report can be made to the annual meeting of the American Bar Association in Cleveland in June.

Clark to Resign Bar Post

KANSAS CITY.—Word here is that Boyle G. Clark, Columbia, Mo., plans to resign as general chairman of the state bar advisory committee when his term expires in November. In that capacity, Mr. Clark has led the fight to prevent adjusters and others in the state from encroaching upon the field of law practice in the performance of their duties. His suit against claim men of several mutual casualty companies is now pending on appeal to the state supreme court. The committee expects to continue to function indefinitely. It operates under the judges of the supreme court, who have charge of the regulation of law in the state.

Blind Man's Record Shows How Success Is Won

"Extra-sensory Perception" Not Essential in Sale of Accident and Health Insurance, Holdren Says

While the so-called extra-sensory perception, the existence of which has been indicated by tests conducted by a number of colleges and universities, would be a great thing for the insurance salesman by enabling him to carry what he is thinking over to the mind of the prospect, it is not essential to success in the sale of accident and health insurance, Floyd Holdren, field supervisor Mutual Benefit Health & Accident, Omaha, declared in his address to the Chicago Accident & Health Association this week on "Blind Man's Buff."

He analyzed the records of four men, all apparently with every qualification for success in the selling field, who had started as agents of his company and had failed, at least in their earlier efforts.

Compelling Personality Not Enough

The first was a college graduate, of unusually compelling personality, who was thoroughly trained in the use of an organized sales talk that had been used successfully elsewhere, but failed to make good, even under the coaching of the man who had devised the visual sales presentation he was using, because, as he said himself, "I don't seem to feel they're going to buy." The conviction that he could sell finally was instilled in him and he went ahead with considerable degree of success.

The second was a man who seemed to have almost equal qualifications, but his weakness was that he wouldn't sell his friends. The third was a man who had been a million dollar producer of life insurance, but took a year off to make a trip around the world and couldn't get started again when he returned. His case was solved by transferring him to an entirely different territory, getting him to solicit a different class of prospects, for small policies instead of large ones, and adopting an entirely new method of approach.

The fourth was a former university professor whose accident and health insurance had been his mainstay when he was stricken with tuberculosis. After he was pronounced cured, he was so convinced of its value that he wanted to sell it. But the trouble with him apparently was that he didn't have the "guts."

Contrasted with Blind Agent

In discussing these cases, Mr. Holdren emphasized the necessity for developing sincerity and confidence and keeping up the agent's zest for the business, possibly through contests or some other form of stimulus.

In contrast with the cases of the four agents previously cited, Mr. Holdren closed with an extremely graphic story of a man who was blinded in an explosion and decided to take up insurance as his life work. With his wife guiding his footsteps, he started out on a program of absolute cold canvass, in total darkness. He made 100, 150 or 200 calls before he made a sale, but he kept going and for five years won a place in the highest honor clubs of his company. He died last year, but he had built up a business which his wife is able to carry on. Mr. Holdren cited his case as a demonstration of the fact that the man who has intestinal fortitude and a determination to succeed will succeed, in spite of what would seem to be absolutely insuperable handicaps.

A. D. Anderson, Continental Casualty, spoke of the plans for the Accident & Health Insurance Week breakfast, which will be held at 8:30 a. m., April 26, and said that the committee is setting the goal for this year at an attendance of 600.

C. T. Redfield, Mutual Benefit Health & Accident, told of the plans for the

Rules on Purchase of Cover by Cities in Indiana

INDIANAPOLIS—Three questions bearing on the authority of cities and towns in Indiana purchasing liability and property damage were put up to Attorney-general Jackson by W. P. Cosgrove, state examiner of the state board of accounts:

"1. Can a civil city or civil town purchase public liability and property damage insurance to cover police cars, fire trucks and other motor vehicles and legally pay the premiums for such insurance out of public funds?

"2. Can a township trustee purchase public liability and property damage insurance to cover township-owned school buses and injury on school premises, and legally pay the premium for such insurance out of public funds?

Status of School Cover

"3. Can a school city, or school town, purchase public liability insurance covering damages for negligence and pay the premium for such insurance out of public funds? Can the premium for such insurance be paid from athletic or other activities funds?

The answer to the first question, Mr. Jackson says, must be in the alternative due to the phrase "other motor vehicles" as he says he is unable to ascertain from the letter in what capacity they are owned and operated and it is upon such facts that liability attaches to a city or town for the negligent operation of its vehicles. "The courts of this state," he says, "have uniformly held that municipalities are not liable for damages for the negligent acts of their officers or agents when the same are engaged in some governmental function." He cites four supporting decisions.

School Not Agency

He answers the second question also in the negative. "The school corporation is a part of the educational system of the state and is an agency of the state," he says. "It then follows that a township is not liable for the negligent acts of its officers and employees performing a governmental act in administering its school system." He says the answers to the first two questions in effect preclude the necessity of answering the third. "From the foregoing it is obvious that liability insurance can only be purchased for private proprietary functions in which a municipality may engage," is his conclusion.

Indefinite Line of Demarcation

In regard to the questions presented he calls attention to the apparent conflict in the cases cited due to the indefinite line of demarcation between governmental and proprietary functions in which a city may engage. "The present trend of the courts," he says, "is to classify many activities formerly considered governmental as proprietary thereby imposing liability upon the municipality. Though the decisions of the Indiana courts are definite on the question, the many new activities in which municipalities engage will have to be classified and in view of the present trend it is possible that new liabilities will be imposed upon such municipalities. It is likewise true that the legislature may remove the exemption from liability and thereby subject municipal corporations to new obligations."

window display contest in connection with Accident & Health Week and urged that all members of the Chicago association take an active interest in this contest. At his suggestion, the association recommended to the finance committee that an additional award of \$25 be made by the Chicago association to any member who wins one of the national prizes.

The Gill-Collins Company agency has been formed in Wichita Falls, Tex., by J. E. Gill and L. B. Collins.

Standard Surety & Casualty President Resigns

Morris Intends to Take Short Rest and Then Return to Field Continuing Activities

NEW YORK—Frank G. Morris who has served as president of the Standard Surety & Casualty, since its formation in November, 1928, has now resigned.



FRANK G. MORRIS

He will remain on the board and will serve in an advisory capacity when called upon.

Following a short vacation he will announce his further plans. He intends to continue actively in the casualty field, with which he has been identified for close to 36 years. He has opened an office on the 17th floor of 80 John street, which will serve as headquarters while he is perfecting plans.

A successor to the presidency has not yet been elected.

As vice-president and secretary, Charles E. Heath is now ranking official. He, too, has been with the company since its organization, resigning as chief of the casualty bureau of the New York department to assume the post.

Launched at Inopportune Time

The launching of Standard Surety just 12 months before the 1929 crash proved most unfortunate, in that the company, in addition to the usual tedious and expensive task of creating an agency organization, had to face at its inception the unusual problems of the depression.

Mr. Morris worked early and late, frequently being at his office by seven-thirty and working until mid-night. He traveled extensively, making many agency appointments personally and always maintaining close contact with developments at headquarters.

Mr. Morris gained his initial training in casualty insurance and suretyship under the late Oscar Ising, the first United States manager of the Ocean Accident, and recognized as one of the most competent executives of his day. Notably was Mr. Ising insistent upon his company's maintaining adequate, and more than adequate, claim reserves, contending the greatest mistake a man could make was to attempt to fool himself. Another former associate of Mr. Morris in the Ocean Accident was A. Duncan Reid, then its executive superintendent. Mr. Reid is now president of Globe Indemnity.

From such masters as these Mr. Morris learned the casualty and surety business and was enabled to formulate a sound underwriting policy for Standard Surety. With its financial affairs he had nothing whatever to do, these being supervised by a board committee.

Several months ago capital of Stand-

Oklahoma City Exchange Divides Sheep and Goats

Urges Companies to Patronize Concerns That Buy Only Stock Company Insurance

OKLAHOMA CITY—The Oklahoma City Insurers Exchange has completed a survey wherein its business development committee finds the companies making plate and automobile glass that are purchasers of stock company workmen's compensation, public liability and automobile liability insurance. The exchange passed a motion stating that the members are anxious to refer their replacements to glaziers who are fully protected by both fire and casualty insurance written by resident local agents in stock companies. There are three reasons advanced for this action:

1. It is dangerous from a legal standpoint for a property owner to have any glass work done on his premises by glaziers who are not covered by workmen's compensation insurance because injured workmen under the compensation law have a lien for their claim against the property on which they were injured.

2. For humanitarian reasons labor and the public is entitled to this protection in compliance with the laws of this state.

3. It is inconsistent for capital stock insurance companies to preach the doctrine of capital stock insurance but make their purchases from carriers of mutual insurance or from those who carry no insurance at all.

Illinois Department Holds Back Lloyds' '37 Report

The Illinois insurance department is declining to make available for public inspection the annual report of London Lloyds. Insurance Director Palmer takes the position that the report does not automatically become a public document the moment it is filed and that he desires to make a special study of the statement, before he lets it get out.

NO REPORT IN KENTUCKY

FRANKFORT, KY.—No annual statement has been filed with the Kentucky department by London Lloyds because, although previously licensed, they did not transact any business in Kentucky until Dec. 30, 1937. Government bonds totaling \$350,000 are on deposit with the state treasurer.

Object to Auto Rate Confusion

AUGUSTA, GA.—The question of safe driver reward plan came up at the monthly meeting of the Augusta Board of Underwriters. It was brought out that in this city there are eight different plans being offered for p. l. and p. d. An effort to have all agents adopt some uniform plan met with no success. The idea was expressed that it would be to the best interests of the public and the agents if a greater degree of uniformity could be brought about.

Conway Taylor to Speak

Conway Taylor, from the head office of the United States Fidelity & Guaranty, will speak Thursday of this week at the regional meeting of insurance men at Rochester, N. Y., on "Modern Methods of Agency Production."

ard Surety & Casualty was reduced from \$1,500,000 to \$1,000,000, the difference being transferred to surplus.

Shortly after the Standard Surety & Casualty was organized, Standard Accident brought an action to prevent the new company from using the word "Standard" in its title. This action was not settled until 1931.

Filing of Safe Driver Plan Now Made in New York

Bureau Would Not Disturb Present Rate Scale—Hearing March 11

NEW YORK.—The automobile safe driver reward plan now filed by the National Bureau of Casualty & Surety Underwriters with the New York department differs somewhat from that in operation in the other states. The plan proposed for this state follows closely the suggestions advanced at the informal hearing by company representatives, agents and brokers before Superintendent Pink Feb. 9, and reviewed by the executive committee of the bureau at a gathering a week later.

The plan provides for continuance of the rates now in force, with the stipulation that at the conclusion of the policy year, assured who had not suffered an accident upon which a claim had been filed or reserve set aside, would be entitled to a 10 percent credit.

Rate Review in Fall

As rates in New York are reviewed in the fall, and as the tariffs now in force were approved by the department just last November, Superintendent Pink desired not to have another turmoil. His suggestion, in which National Bureau acquiesces, was that existing rates be allowed to stand through the remainder of 1938, assured with non-accident records, however, to get recognition.

A hearing upon the plan will take place at the department office in this city on the afternoon of March 11.

Accompanying the filing was the reservation that when the general rate review is conducted by the department in the late fall, the bureau would then alter the present plan to conform to that in use in other states.

The bureau also submitted for consideration the \$1,000 limit automobile contract, which would be written at rates 28 percent below those charged for the standard limits.

(CONTINUED ON PAGE 29)

N. Y. Meeting Reveals New Interest in Fraud Problem

NEW YORK—More than 100 attended the first of the quarterly forums conducted by the claims bureau of the Association of Casualty & Surety Executives. Those attending were enthusiastic and endorsed the idea of holding future conferences.

Jesse S. Phillips, chairman Great American Indemnity, the presiding officer, stated that casualty companies pay out millions of dollars that they should not pay. The job of the claims bureau is to help prevent such conditions.

R. N. Caverly, vice-president Fidelity & Casualty, one of the speakers, recalled that about 12 years ago Edson S. Lott, at the meeting of the Alliance Against Accident Fraud, made a talk that stimulated further meetings among company claims men. Subsequently a citizens committee was organized and the famous Wasservogel investigation was conducted in 1928. That investigation proved the existence of more fraudulent and unethical practices in the submission of casualty claims than had been generally expected. Publication of the results inspired an eagerness to attack the problem more vigorously.

Program Was Formulated

The claim men formulated a program including determination to insure prompt and just settlement of meritorious claims, to resist fraudulent claims and to discourage and expose unethical practices of lawyers and doctors, to operate an index bureau system and promote co-operation with authorities.

Subsequently the claim department of the National Bureau of Casualty & Surety Underwriters was organized and this was recently absorbed by the casualty executives association. Attributable to the operation of the National Bureau's claim department, he said, there were 470 indictments and convictions of claim fakers and 64 disbarments of lawyers.

The claim bureau work was taken over by the executives association because it became apparent that the cooperation from a larger number of companies was needed and because a knowledge of the technique of criminal detection and prosecution under the criminal law was needed.

Frank M. Parrish, the new general solicitor of the claims bureau, stated

that companies must support prosecuting authorities, because the public offices are generally understaffed or concerned with other affairs. "Our task," he said, "is to place a completed case before the district attorney, and the way to accomplish this is by thorough investigation by trained investigators."

The claims bureau, he said, can render a service by publicizing convictions, disbarments and loss of licenses by doctors. The knowledge that strong forces are at work, he declared, will have a deterrent effect.

Wayne Merrick, chief investigator for the bureau, stated that rackets are a big business and a knowledge of scientific methods of detection is needed.

R. G. McCallum, who is in charge of index bureaus, said the index bureau system is being thoroughly studied and improvements may be possible in methods of reporting and identification.

Charles Deckleman, manager casualty claims department Travelers, spoke. The session was opened with a talk from Claude W. Fairchild, general manager of the association.

Urges Index Bureau Growth

Mr. Deckleman urged the development of the index bureau system to its greatest efficiency, and asked for increasing assistance to the local adjuster and claim association on local problems. The claims bureau, he said, "is the keystone to our claims structure."

The claim executive, he said, must maintain his company's reputation for fair dealing, must render prompt and efficient service, and must protect the public from waste.

He spoke of the problems presented by occupational disease claims, warning that many are based upon ordinary life diseases. All such cases, he added, require close investigation.

Speak at Office Management Meet

DETROIT.—C. C. Bowen, president, and A. J. Crockett, vice-president of Standard Accident, spoke at a meeting of the Detroit Office Management Association.

L. A. Pritchard, adjuster of the Buckeye Union for Stark, Tuscarawas, Harrison and Jefferson counties, O., has opened an office at 704 Fulton road, N. W., Canton, O.

Exhorts Illinois Banks to Get Properly Covered

State Auditor Impatient With Those Lacking Fidelity Protection

State Auditor Barrett of Illinois in a monthly bulletin, comes out with an exhortation to banks to purchase adequate insurance against dishonesty, robbery, burglary, and forgery. This should provide remarkably effective ammunition for fidelity departments and agents interested in the production of fidelity business. Barrett states that another article on the subject is in the process of preparation.

It is understood that the state auditor, who has supervision of the banking department, has been concerned by the lack of protection on the part of numerous banks. He and his deputies have been looking into the situation in individual banks and have urged the bankers in rather strong terms to procure adequate insurance. It is understood that the department has encountered considerable difficulty, particularly among the smaller banks where there are just a few employees, most of them old-timers and where there are some blood relationships.

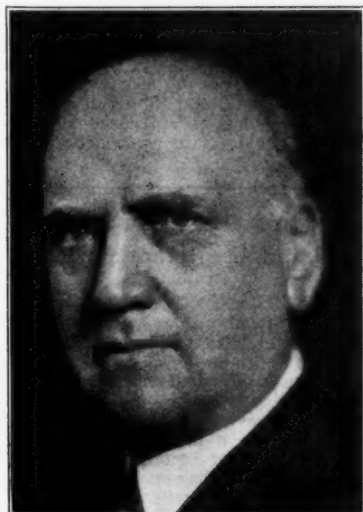
Failures Due to Defalcations

Since the banks were reopened in 1933, there have been four bank failures in Illinois, three of them attributable to defalcations. Most recent was a bank in Belleville. That experience apparently prompted the state auditor to employ the weapon of publicity to try to cause bankers to increase their insurance. As a matter of fact the state auditor's department had been after the bank in Belleville and the bank had responded last December by increasing the amount of its blanket bond from \$25,000 to \$100,000. The defalcation was uncovered near the latter part of January this year.

The auditor expressed the belief that in all banks the determination of insurance needs and its placing should be

(CONTINUED ON PAGE 33)

NEW IMPETUS GIVEN TO WAR ON FRAUD AT N. Y. MEETING



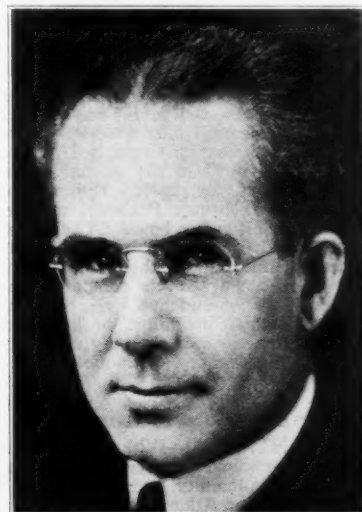
JESSE S. PHILLIPS

Presiding over the first quarterly forum conducted under the auspices of the claims bureau of the Association of Casualty & Surety Executives, was Jesse



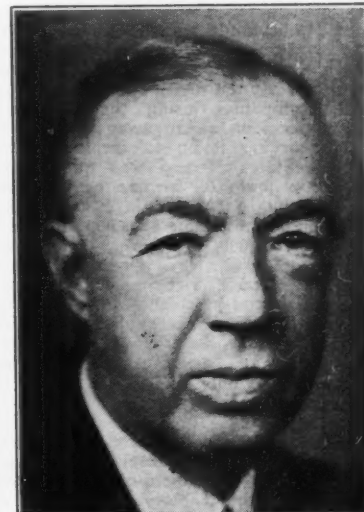
R. N. CAVERLY

S. Phillips, chairman Great American Indemnity. R. N. Caverly, vice-president Fidelity & Casualty in charge of claims, made a talk, tracing the history



F. M. PARRISH

of the campaign against claim fakers. Frank M. Parrish, general solicitor of the claim bureau, made some important observations. The address of welcome



C. W. FAIRCHILD

was given by C. W. Fairchild, general manager casualty executives association. Fresh impetus was given to the crusade at this meeting, attended by 100.

Anti-Direct Writing Drive Is Started in Boston

Leaders in Legislative Hearing on Bill to Limit Surpluses of Domestic Mutuels

BOSTON—Insurance Producers & Employees, Inc., formed to combat inroads of the direct writers, opened its attack before the insurance committee of the Massachusetts legislature in support of its bill to limit surplus of domestic mutual casualty companies. The bill proposes to limit the accumulating and holding of net assets to an amount equal to 25 percent of average annual gross premium income, less return premiums, for the preceding five years. While domestic fire mutuels are limited in surplus holdings to 4 percent of total amount at risk, there has never been any limit for casualty mutual surpluses in this state.

Downs in Appearance

J. W. Downs, counsel for the association, declared the bill was similar to one drafted by the insurance department in 1931, and would not apply to fire mutuels owing to a recent change in the insurance law, although it appeared to include all companies writing sprinkler leakage.

Admitting the Liberty Mutual of Boston, a direct writer, was the principal bone of contention, Mr. Downs said that mutual's net premiums jumped from \$17,383,983 in 1929 to \$33,647,897 in 1936, and surplus from \$4,600,000 to \$12,000,000. The company was driving brokers and agents out of the business, he said, by what in reality constituted legalized rebating.

"The Liberty Mutual is out to kill this bill regardless of cost," said Mr. Downs. The bill provides that the commissioner, in any one single year, could allow surplus limit to be exceeded when necessity was shown.

Discusses Liberty Mutual

Under operation of the Liberty Mutual, Mr. Downs said, it would be possible gradually to cut down written business until there were ten or 12 policyholders, and then divide up the millions of surplus among the few policyholders. The accumulated surplus belonged to the policyholders of past years, it was contended, and some day some smart policyholder would bring a bill in equity for a share in the surplus.

A. D. Cronin, chairman executive committee of the association, said great surpluses become a capital investment by policyholders, with no safeguards. If all policyholders happened to fall on the company at the same time for their share, the company would have to liquidate. At the present rate some casualty companies, using their surplus, would soon be giving away their policies, charging it up to surplus. The United States Mutual was quoted as having a premium income of \$366,000 and surplus of \$273,000 in 1930 and, in 1936, premium income \$205,000 and surplus of \$341,000, even in a depression period.

H. E. Moore, vice-president of the association and president Massachusetts Association of Brokers; W. S. Shaw and E. J. Cole, for the Massachusetts Association of Insurance Agents, also spoke for the bill.

Cronin in Opposition

Opposition to the measure was led by J. W. Cronin, chief counsel Liberty Mutual, who said the object of the bill was to harness the Liberty Mutual. He said policyholders could get a division of surplus if they wanted it at any time by 20 of them calling a meeting for the purpose.

He said the bill would fix surplus so low that a depression would seriously

(CONTINUED ON PAGE 44)

Frederick Richardson Has Done Remarkable Work with General Accident Here

Frederick Richardson, who is returning to England, this time in the capacity of deputy chairman of the General Accident, is a man who has impressed himself upon the casualty business in this country. As United States manager of General Accident and subsequently as United States attorney and managing director, he has made a record in the business in this country that is rather generally envied. Mr. Richardson has declined to join the National Bureau of Casualty & Surety Underwriters, and the fact that such an important and successful multiple line, nationally operating casualty company has remained outside the bureau has been a matter of regret to the leaders in that organization. Probably the regret is all the more keen because executives of bureau companies admire Mr. Richardson as an individual and respect his success. He is a brilliant man, completely self-reliant. He is educated and cultivated.

Formerly in London

Prior to coming to the United States in 1916, Mr. Richardson was located in London as resident manager of General Accident. He came to this country as United States manager. At that time U. S. assets of General Accident amounted to about \$3,000,000, surplus was about \$600,000 and premiums amounted to about \$1,000,000. Today the assets amount to about \$34,000,000, surplus is in the neighborhood of \$11,000,000 and premium writings amount to \$18,000,000.

After a few years Mr. Richardson became United States attorney and managing director. He was later elected to the home office board of directors and in April of last year he was elected deputy chairman of the board. He entered the Liverpool office of General Accident in 1893 and about the turn of the century he served in Australia as accident manager of other companies. From there he returned to London for the General Accident.

Mr. Richardson has always taken a keen interest in insurance educational endeavors and has intelligently and forcefully promoted the interests of the Insurance Institute. He is a delightful and witty speaker as well as being profound on the proper occasion. One of his most recent appearances was at the brilliant banquet in New York for Edson S. Lott, chairman of the United States Casualty. Mr. Richardson had been designated as Mr. Lott's biographer for the occasion and he produced a humorous, whimsical and yet appreciative study, ending with a clever verse.

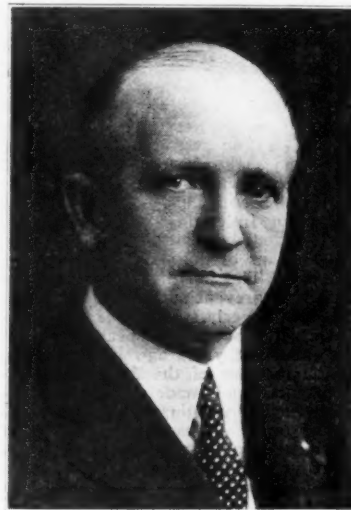
Maryland Casualty's Award

BALTIMORE—Maryland Casualty's series of magazine advertisements featuring "Unforeseen Events" was awarded honorable mention "for a series of advertisements most distinguished for excellence of copy" in the annual advertising awards for 1937. Presentation was made by Stuart Peabody, member of the administrative board. The Maryland Casualty campaign had for its objectives: education of the public in the service of casualty-surety companies and building of confidence in company among agents, insurance brokers and stockholders. It was the only insurance entry to achieve this distinction.

Porter Ellis Goes to Atlanta

ATLANTA, GA.—With Porter Ellis in charge as field supervisor, the Great American Indemnity has established a service office at Atlanta, the facilities of which will be available to all representatives of the company in Georgia. Mr. Ellis is a trained service underwriter, having been in charge of the Great American Indemnity's service branch at Philadelphia and later at Pittsburgh, following graduation from the home office.

Dies in Richmond



COL. HARVEY L. JONES

Col. Harvey L. Jones, formerly executive vice-president of the New York Casualty and later assistant general counsel of the Federal Home Loan Bank board at Washington, died in Richmond, Va., at the age of 60. He had attended a ball given in honor of Governor Price of that state and expired a few hours afterward. He received many marks of distinction during the world war. He was a Princeton graduate, practiced law in Baltimore and later joined the Maryland Casualty. He served as manager of that company in Chicago.

Home Indemnity Revises Auto Rating Plan Somewhat

Home Indemnity has revised its automobile rate filings in Iowa, Minnesota and Michigan. Class A risks continue to get a 20 percent discount from manual, but class B risks now are entitled to a 10 percent discount, whereas formerly they had to pay manual. Class C risks continue to be debited 25 percent.

A class A risk consists of one in which the car is not used for business purposes; where the assured for the preceding 21 months has had not more than one accident; where there is to be no driver under the age of 21 or over the age of 65 and where there are not to be exceeding four drivers. Class C consists of those who use their cars regularly for business and those in such prohibited classifications as saloonkeepers, etc. Class B consists of those risks that do not fall in class C and do not qualify for class A rating.

Home Indemnity will give a class C risk a class B rating if the assured will present a signed application, warranting that he has not been involved in any accident for the preceding 21 months.

Written applications are not taken from class A risks. There are no warranties in respect of the conditions that determine the preferred rating. The underwriting is done from inspection reports.

Talks on Malpractice

MANITOWOC, WIS.—"Malpractice Insurance" was discussed by O. B. Sullivan, assistant chief claim adjuster of the Milwaukee branch of the Aetna Casualty, at the monthly meeting of the Manitowoc County Medical Society here.

Miss Marguerite Gunther, who has been active in the loan and real-estate business in New Braunfels, Tex., has opened a local insurance agency in the Schmidt building.

National Surety Gets Out New Sales Building Plan For Agents in the Field

NEW YORK—A new sales-building program for the benefit of agents is announced by National Surety. "This new program," says President Vincent Cullen, "is a constructive effort to assist agents by making available to them the important and significant results of a \$25,000 analysis of present-day insurance selling. The analysis, based on first-hand study of the selling methods of agents in all sorts of towns and cities, has just been completed. We feel that the findings will be helpful to every progressive agent. We are issuing them in a series of booklets titled 'The Business Builder.'"

Last autumn, the company retained a nationally-known sales research organization, Trade-Ways, to conduct a field study of the sales problems and selling methods of agents. Members of the Trade-Ways staff visited agents in the east, west and south, discussing their problems with them and observing their handling of contacts with customers and prospects.

Careful Record Kept

The interviews and observations were recorded fully and accurately, in writing. For example, typical calls by each agent accompanied in the field were reported as nearly word-for-word as practicable, so as to provide a factual record of what insurance agents actually do and say in the presence of their prospects and clients.

Upon the completion of the field study the detailed records were analyzed thoroughly and carefully by Trade-Ways, which then reported its findings to National Surety. Shortly thereafter, the company decided to make these findings available to agents, and the preparation of the series of booklets was started.

The first booklet in the series, containing an analysis of the methods by which successful agents secure more accounts and develop the most favorable relations with their clients, will be issued early in March. The others in the series will follow at short intervals during 1938.

Clarifies Rule Against "Fronting"

COLUMBUS—The Ohio department has issued a supplementary ruling in regard to its ban on so-called "fronting" arrangements. The original ruling dated Feb. 3 provided that no company or agent licensed in Ohio shall file or assist in the filing of any policy of whatever nature in behalf of or for the benefit of any unauthorized insurer with any regulatory body in Ohio, such as the public utilities commission.

The supplementary ruling states that the prohibition applies to risks domiciled in Ohio or where the insurance business originates in Ohio. The ruling applies to surety bonds as well as to any other type of policy, Superintendent Bowen states.

Injury to Dog Property Damage in Rhode Island

PROVIDENCE, R. I.—It's going to be just as serious an offense in Rhode Island in the future for a motorist to leave the scene of an accident after hitting a dog as it is if he hits a human. In such event the operator will be classed as a hit and run driver and punished accordingly.

Under a ruling made this week by Attorney-general Hartigan, at the request of Chief Wilfred J. Paquin of the state division of motor vehicles, a dog is property, and injury to a dog constitutes property damage. Dogs are so defined by statute in this state.

CHANGES IN CASUALTY FIELD

Harold Graham to Hartford Accident's Home Office

H. J. Graham has been appointed assistant manager of the production department at the home office of the Hartford Accident & Indemnity. In his new capacity he will participate in the development of promotion plans for the field forces. For the past several years he has been connected with the James S. Kemper organization at Chicago as associate manager of advertising and publicity and editor of publications for the Kemper companies.

A native of Chicago, Mr. Graham received his education in public schools there and at Northwestern University, entering the insurance field about ten years ago at the home office of the Continental Casualty where he served as assistant advertising manager.

A. B. Caldwell to Cleveland

A. B. Caldwell, who has been associated with the surety and burglary department of Ohio Casualty for a number of years, has been transferred to the Cleveland office in charge of the surety and burglary department.

F. & D. Changes in Philadelphia

Changes in the Philadelphia office of the Fidelity & Deposit and the American Bonding have been announced. Francis X. Connolly joint manager of the branch with Herman F. Schwefer since 1913, has been made resident vice-president of the F. & D., Mr. Schwefer becoming vice-president of the American Bonding, and James M. Henderson, formerly assistant manager of the branch, has been advanced to manager. Both Messrs. Connolly and Schwefer had been connected with the American

Bonding prior to its merger with the F. & D. in 1913. Mr. Henderson has been a member of the Philadelphia branch of the companies since 1927, having been appointed assistant manager in May, 1932. Additional members of the branch are J. J. Byrne, assistant manager; E. M. Canright, superintendent of the judicial department; T. J. Ternan, Jr., and J. C. Russell, special agents.

Opens Baltimore Office

The American Automobile has opened a branch office at Baltimore in the Baltimore Trust building under the supervision of John T. Safford who for several years has been assistant manager in New York.

Leo A. Hughes, claims attorney stationed at Baltimore, has been associated with the American Auto for more than 20 years and will continue his supervision of Maryland claims under the new arrangement. The American Auto entered Maryland in 1917.

Allied Agency's Connection

A news item relating that the Allied Agency of Chicago had been appointed general agent there by the National Surety was not correct. Since the Chicago service office was organized by the National Surety no general agency appointments have been made. The Allied Agency, however, has made connection so that now it places business through the service office which is managed by B. J. Nietschmann.

Lawlor Makes Change

Ray L. Lawlor has resigned as manager of the Chicago service office of Commercial Standard of Texas. He had held this position since the opening of the office in November, 1935. He is an experienced man in various aspects

of the casualty business. The service office handled claims, engineering and audits. Previously for several years he was with Lumbermen's Mutual Casualty in claims and production work and previously for three years was in the claims department of the Travelers in Chicago. He is now making his headquarters in the H. S. Slipner Company agency, Insurance Exchange, Chicago, and expects shortly to get back into company work.

Two Specials Appointed

Two special agency appointments have been made by the American Automobile branch office in Chicago. Edward Belzer has been named special agent assisting H. M. Glenn, Cook county, Ill., special agent. R. H. Callaway, who has been assisting in Cook county, has been transferred to assist Ray Clark, special agent in downstate Illinois. Mr. Belzer formerly was connected with the Millers National, and Mr. Callaway formerly was with W. A. Alexander & Co. He has been with the American Automobile since 1936.

Prescott Named in Indiana

H. J. Wilson, Indiana branch manager of the Massachusetts Bonding at Indianapolis, has appointed David G. Prescott special agent. Mr. Prescott was special agent of the Globe Indemnity for several years in Indiana, resigning in 1932 to go east to look after some personal interests.

Takes on Home Indemnity

F. D. Hirschberg & Co. of St. Louis has taken a general agency for the Home Indemnity. This agency has represented the Home for fire and allied lines for many years.

Opens Nebraska State Office

The Travelers Mutual Casualty of Des Moines has opened a state office in Lincoln, Neb., with Paul D. Pyche as state agent and Phil Blomberg in charge of the claims department.

COMPENSATION

Indiana State Fund Hearing; Association Issues Bulletin

INDIANAPOLIS — The legislative commission on the proposed state fund for workmen's compensation insurance will hold a hearing Friday evening in the state house.

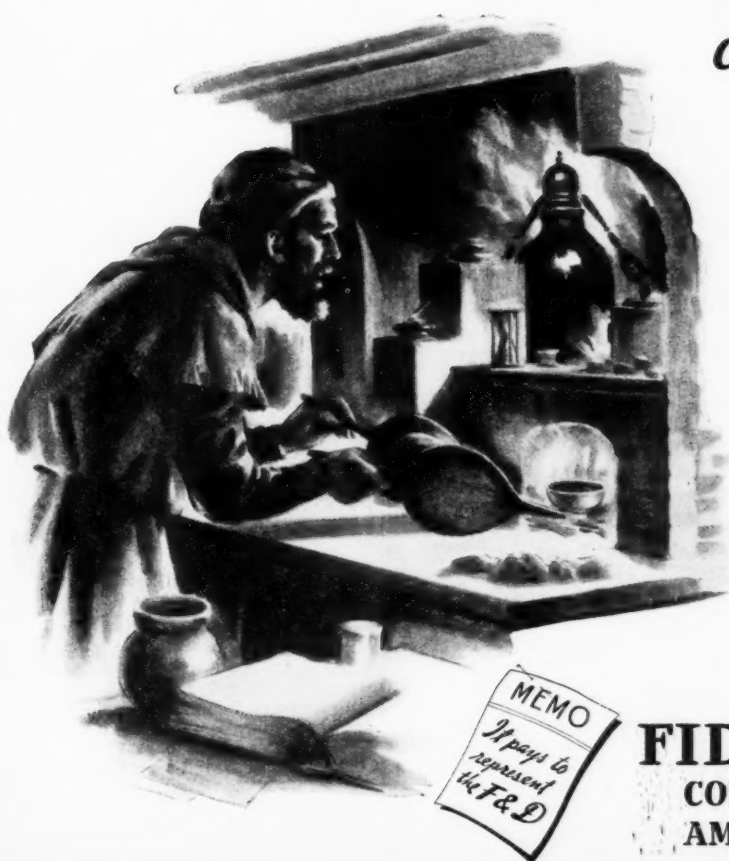
The Indiana Association of Insurance Agents has issued a bulletin outlining the experience of the seven other states with monopolistic compensation funds. It is shown that such funds have been unsatisfactory, that they have increased the cost of compensation insurance and have not proven beneficial to employees. In all these states the operation of the funds has been an increased burden to taxpayers generally. In Indiana it is estimated it would cost \$1,300,000 annually to operate the fund; it would mean the loss of \$260,000 a year now paid to the state in taxes by insurance companies and the employment of several thousand additional employees. It is planned to use \$5,000,000 of the state's general funds to start the proposed system and judged by experience in other states this would never be paid back.

Murder Not Industrial Risk

MILWAUKEE—Terming the case "the strangest we have encountered under the Wisconsin workmen's compensation law," Judge Reis in the Dane county circuit court has set aside the Wisconsin industrial commission's award of \$6,000 to the widow of Harry Pressinger, secretary of the Jambor Tool & Stamping Co., Milwaukee, who was shot and killed in 1936 by John Jambor, vice-president and treasurer of the company.

"Holding a business concern liable for a planned murder," Judge Reis said, "as

No Wizard of the Black Art could turn Base Metal into GOLD!



Nor has the scientist of today been able to fulfill this dream which so intrigued the alchemists of an age long passed.

But the specialized training and experience of the field men who operate out of the F&D's 43 underwriting and service offices frequently enables them to suggest ways and means of making acceptable underwriting propositions out of cases which many companies would not even consider.

By this successful alchemy of business, many a commission, lost to agents of other companies, is saved to agents of the F&D.

Just one of many reasons why, in suretyship, it pays to represent the

FIDELITY AND DEPOSIT
COMPANY OF MARYLAND or its associate, the
AMERICAN BONDING CO. OF BALTIMORE



WRITING EXCLUSIVELY FIDELITY AND SURETY BONDS, BURGLARY, ROBBERY, FORGERY AND GLASS INSURANCE

indicated by the fact that Jambor had the gun concealed on him, would be practically to declare that common and premeditated murder is a risk of industry.

"We do not believe that the workmen's compensation law of Wisconsin was intended to insure against the crime of murder, except where it is clearly shown that the industry created this unusual and grave hazard and the evidence thereof is lacking in this case."

Two Reduction Plans Proposed

RICHMOND.—A hearing was held before the Virginia state corporation commission on two proposed systems of general reduction in workmen's compensation. One alternative was a loss constant ratio under which firms paying small premiums would pay more but this plan on the whole offered a decrease in rates of more than 4 percent. The other plan involved the lowering of basic rates generally by an average of more than 1 percent. In both instances some firms would pay more but insured concerns considered together would pay less. The commission reserved its decision. No objectors to either plan appeared, most of the testimony pertaining to relative merits of the two procedures.

New Mutual in New Jersey

The Institute Mutual of Newark with headquarters in the National Newark & Essex Banking building, has filed incorporation papers. It will write workmen's compensation insurance. The incorporators are: Benjamin Schwartz, Joseph Colvin, T. F. Kelly, Beatrice Block, Lillian Milstein, G. B. Astley, J. T. Friend, Milton Cooper, Saisy Ferguson and L. E. Hampson.

Kill Massachusetts Bill

BOSTON.—In a close vote the state senate killed a bill which would have authorized payment of workmen's compensation to injured employes from the date of injury. Organized labor, which

each year has been able to increase steadily the benefits under workmen's compensation, secured a favorable report this year on the bill. The measure got into the senate and a tie vote resulted. President Wragg voted with the opposition and killed the bill.

Disfigurement Compensable

LINCOLN, NEB.—Overruling both the compensation bureau and the district court, the state supreme court holds that the workmen's compensation law gives authority for sustaining an award for facial disfigurement.

H. E. Wilson, claimant, suffered serious burns while in the employ of the Brown-MacDonald Company, which was covered by the Hardware Mutual Casualty. The latter has expended more than \$13,000 in plastic surgical treatments and in compensation payments over four years, but the court says this does not limit its liability.

Study Occupational Diseases

MADISON, WIS.—A record of dust, gas fume and vapor hazards in Wisconsin foundries, mines and industrial plants, now being compiled, will soon be completed by the industrial hygiene division of the Wisconsin state industrial commission. The study was launched to assist employers to combat occupational diseases, particularly silicosis. Special attention is being given in the survey to the cumulative effect of dusts and gases arising from silica, asbestos, lead, methyl-alcohol and benzol. Dr. Paul Brehm is in charge of the new industrial hygiene unit.

Since 1921 the industrial commission has had 893 cases of silicosis reported. Of this number 540 have been settled, 335 have been declared non-compensable under the workmen's compensation act, and 18 are pending before the commission. Total compensation paid was \$1,856,664, an average of \$3,516 per case. Of 204 fatal cases reported 164 were compensable and awards totaled \$800,-

ACCIDENT AND HEALTH

Analysis Made by Aetna Life Sell Reimbursement for Wife

Cranking Automobiles Is Shown to Be the Cause of Many Accidents Even at Present Time

Although electric self-starters on automobiles have been in use for more than 25 years, an analysis of claims involving automobile accidents paid by the Aetna Life reveals that the old-time crank is still the cause of many personal injuries. Out of a total of 49,405 claims paid exclusively for accident policyholders involved in automobile accidents during the 16 year period from 1922 to 1937 inclusive, the analysis shows that 3,558 were the result of cranking accidents—as many as 45 such accidents having been reported during 1937 alone.

In addition to cranking accidents, the analysis reveals that other causes, in the order of their importance, were collision accidents, 17,073; skidding or ditching, 6,800; entering or leaving, 4,713; care taking or repairing, 4,691; pedestrians struck by an automobile, 4,025; cranking, 3,558; caught in doors or windows, 3,466; thrown against car or seat, 1,357; burns or scalds, 487, and miscellaneous, 3,105.

So far as totals go, the Aetna Life experienced an increase of more than 3 percent in the number of claims paid under personal accident policies for injuries or death in automobile accidents during 1937 as compared with the previous year.

Cash in on **Hoodoo Day**—for sales plan details write The Accident & Health Review, 175 W. Jackson Blvd., Chicago.

460 compensation, an average of \$4,880 per case; \$19,385 for funeral expenses, and \$18,962 for medical aid.

Garneau Urges Indirect Approach in Selling Accident—Philadelphia Makes A & H Week Plans

PHILADELPHIA.—Agents desirous of increasing their income and business were advised by Joseph H. Garneau, home office representative of the Hartford Accident, to "get acquainted with accident insurance, particularly the medical reimbursement policy" at the March luncheon-meeting of the Accident & Health Club of Philadelphia.

Mr. Garneau advocated an indirect approach. "It is foolish in most cases to walk into a client who already has accident insurance and attempt to sell him a medical reimbursement policy right off the reel. First off, the agent or broker is apt to find himself in a very long and unprofitable discussion on policy forms; one that will become so technical as to preclude any possibility of selling the man.

"Suggest a medical reimbursement policy for the man's wife or son or daughter," said Mr. Garneau. "This gives you a chance to explain the policy and to secure his interest. Once you obtain all that, then you can ask him very nicely whether he has all that in his policy and, if he brings his contract out, then you can go through it and obtain his application along with that of the members of his family."

Agents who make up their minds to develop accident business, are apt to make the serious mistake of picking out all the "target risks" for their first prospects. Doctors, dentists, prominent business men, etc., as a class, are constantly solicited.

"For this group," he pointed out, "nothing proves more effective than to suggest a reimbursement policy for the wife. After all, he is the one who will have to pay her doctor and hospital bills in the event of an accident. Naturally, he is interested in a policy that will relieve him of that risk. And, before you are through, the chances are rather nice of your being able to survey his entire insurance program."

Philadelphia will start off its observance of National Accident & Health Week with a luncheon and sales congress sponsored by the Accident & Health Club of Philadelphia on April 25. Leading accident and health executives and producers have been invited to talk. Among the speakers who have accepted are: L. K. Farrell, vice-president Metropolitan Life; David W. Donley, superintendent of production accident and health department General Accident; Edwin Peake, of Peake Bros., leading Philadelphia agency, and Ray Sheehan, manager at Providence, R. I., of the Mutual Benefit Health & Accident.

The Philadelphia club is now planning for its annual stag dinner with John F. Leibig, of the Continental Casualty, and Steve Yerkes, Hooper-Holmes, as the committee in charge.

Hospitalization Put Forward

Definite Trend of This Movement Is Causing Accident Executives to Study the Possible Future

The most important development in accident and health insurance is the hospitalization plan which is being promoted all over the country by philanthropic and other private enterprises. It has a very strong appeal as a person pays 75 cents, \$1 or more a month and is entitled to a certain amount of hospital service. A number of persons who feel they cannot afford to carry much insurance are interested in this appeal.

The regular companies will put hospital riders on an accident or health policy whereby for payment of addi-

VELVET for INSURANCE MEN

If you are doing well in your present connection, stay there and *do still better.*

Earn extra commissions by co-operating in the sale of Credit Insurance. You don't have to scout for prospects—your best prospects are the Manufacturers and Jobbers whom you now serve in your regular capacity. You don't have to "close the sales"—our own trained representatives do that.

Here's the idea: You have a ready-made opportunity to interest your regular clients in Credit Insurance. You're "inside." You have their ear. Your suggestions carry weight. You are in excellent position to establish contact for our regular representatives, who will cover all necessary technicalities.

There's nothing abstruse about Credit Insurance; its essence is this: It guarantees that a Manufacturer or Jobber will be paid for all goods shipped according to the terms of his policy, no matter what may befall the debtors. It keeps capital intact and working. It assures profits.

Credit Insurance is a live issue today. Manufacturers and Jobbers are hearing more about it than ever before through our extensive advertising drive in newspapers, business periodicals, trade journals in many fields.

Ask our nearest office, or headquarters, how we co-operate with you, details of compensation, etc. This inquiry may open an unexpectedly wide field of profit for you.

American Credit Indemnity Co.
of New York **J. F. McFadden, President**
Chamber of Commerce Bldg., St. Louis, Mo.
Offices in all principal cities of United States and Canada

tional premium specific hospital service is given. Many companies writing group insurance will give a group hospital contract but there are not very many insurance companies that will write the hospital plan for individuals. Among those that are soliciting individually are the Great Northern Life, Inter-Ocean Casualty, National Casualty, Massachusetts Accident, and Income Guaranty. The Illinois Mutual Casualty of Peoria is writing hospitalization indemnity either individually, by family group or occupational or professional groups.

Solicitors working on the hospitalization plan do not have any difficulty in getting a hearing and insurance companies find that it is a very effective approach. Some companies have under consideration projects that they will announce in the near future. The big development in accident and health insurance, therefore, seems to be in this hospitalization direction.

Comprehensive A. & H. Book

Informative Work by L. B. Soper for Laymen and Students is Published; Indicates Careful Research

The "Study Outline of Accident and Health Insurance," published by the Life Office Management Association, New York, has aroused considerable interest and favorable comment among those in the accident and health business. Because of similarities existing between coverage provided by commercial accident and health policies, and disability and accidental death provisions of life policies, life executives have displayed equal interest in the outline.

L. B. Soper, assistant secretary accident and health department Connecticut General Life, is the author. The study was prepared for the layman, as well as students of the L. O. M. A. institute, of which Mr. Soper is a fellow.

The author's presentation of the sub-

ject indicates careful research and has resulted in a work which is both informative and instructional. The outline includes such headings as: a definition of accident and health insurance, its functions, historical development, policy contracts, underwriting, rate making, reserves, statistics, accounting and office procedure, non-cancellable policies, disability and double indemnity with life policies, investigation and settlement of claims, legal aspects, governmental regulation, agency organization and management and others. Copies of the outline may be obtained from the L. O. M. A. office.

Continental Casualty Has New "Challenger" Form

The "challenger" accident and sickness policy of the Continental Casualty, a new low cost form, pays 12 months total accident disability for "his" occupation and thereafter for 48 months for "any" occupation, with one-half partial for six months; 12 months for confining illness (with seven days elimination) and full indemnity for one month non-confining. Major dismemberment payments are made on the basis of 50 months indemnity. Up to 25 percent of one month's indemnity is paid for physician's service on non-disabling injury. The regular air travel clause is included. After six months, a grace period of 10 days is allowed. The annual premium for men, ages 16-49, class A, is \$3.30 for each \$10 monthly indemnity and \$1.70 for each \$1,000 principal sum. Women are rated up one class. Housewives and unemployed women are not written.

It can be adapted to individual needs through use of various riders. Rider 395 provides indemnity (based on monthly indemnity provided by the policy) for three months from the first day for hospital confinement as a result of accident or sickness. Rider 463 pays actual cost of hospital, doctors' bills,

nurse, etc. up to \$500 or \$1,000 in event of injury, and hospital indemnity for three months for sickness, beginning with the first day. Operation schedule is included. Rider 464 provides hospital indemnity (based on the monthly indemnity provided in the policy) for three months from the first day, both accident and sickness; liberal operation allowance. Rider 290C provides actual cost of hospital, doctors' bills, nurse, x-ray, ambulance, etc. up to \$500 or \$1,000 for accidents whether confined to hospital or not. Medical reimbursement riders are not to be written below class D*.

A special rating of Class E is given farmers, farm laborers and dairymen under this policy.

Provides Group Hospitalization

LOS ANGELES — The Associated Hospital Service, an organization of 27 hospitals in southern California, announces it is now issuing group insurance against hospital expenses under the new California group hospitalization law to groups of five or more as individuals or for themselves and families, at a cost of 3 cents per day for themselves as individuals or up to 7 cents per day for themselves and families.

National Health Plan in Canada

An amendment to the British North America act to enable the Dominion government to institute a system of national health insurance is sought by Norman A. McLarty in a resolution in the Dominion parliament.

McClure to Take Up Life Work

C. N. McClure, vice-president and treasurer of the Craftsman of Boston, is resigning and within the next couple of months will establish his own agency at Detroit. He has been anxious to build a business of his own and as his original training was in the life insurance field and his home in Detroit he desired to return to his early activities. He has not yet made a company connection but

he expects to have his office established by May 1.

New San Francisco Officers

New officers of the Accident & Health Managers Club of San Francisco elected at the annual meeting, are: President, James C. Brown, Standard Accident; vice-president, John Casenave, Hartford Accident; executive committee, the officers, G. V. Chandler, General Accident; Bert Jones, Maryland Casualty, and E. W. Amos, California-Western States Life.

Plan Detroit Sales Congress

DETROIT.—Plans for the annual sales congress of the Detroit Accident & Health Association will be announced at a luncheon meeting March 15. President E. B. Brink, state agent Mutual Benefit Health & Accident, will show a 15-minute motion picture which he made on a recent trip to southern Europe and the Mediterranean.

Doubles Last Year's Business

The monthly premium department of the Massachusetts Accident reports January and February business double that of last year. The volume for these months had remained about the same for the past four years until this year.

A committee of the Wisconsin State Medical Society is studying hospital insurance with a view of presenting a report at the annual meeting of the society next fall.

Millman, Ladd Are Speakers

KANSAS CITY.—S. R. Millman, supervisor of inspectors Aetna Casualty, St. Louis, and Walter D. Ladd, manager St. Joseph (Mo.) Safety Council, discussed education of the individual as the most important factor in accident prevention before 600 at the fourth of the series of industrial safety meetings conducted by the Kansas City Safety Council.

Casualty, Fidelity and Surety Reinsurance

GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Financial Statement, December 31, 1937

<i>Assets</i>	
Cash in Banks and Offices.....	\$ 666,467.44
Investments:	
Bonds.....	\$7,911,586.67
Preferred Stocks.....	193,800.00
Common Stocks.....	2,982,809.42
North Star Insurance Co. Stock (96.20% of total).....	2,165,251.81
Mortgage Loans.....	192,783.33
Real Estate.....	308,000.00
Total.....	13,754,231.23
Premiums in course of collection (not over 90 days due).....	609,126.97
Accrued Interest.....	52,423.22
Other Admitted Assets.....	206,404.30
Total Admitted Assets.....	\$15,288,653.16
<i>Liabilities</i>	
Reserve for Claims and Claim Expenses.....	\$ 5,782,928.73
Reserve for Unearned Premiums.....	2,363,557.67
Reserve for Commissions, Taxes and Other Liabilities.....	856,253.72
Capital.....	\$1,000,000.00
Surplus.....	5,285,913.04
Surplus to Policyholders.....	6,285,913.04
Total.....	\$15,288,653.16

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department, viz.:—Bonds on an amortized basis, North Star stock on the basis prescribed by the New York Insurance Law, other stocks at December 31, 1937 market quotations. If bonds owned were valued on the basis of December 31, 1937 market quotations, Total Admitted Assets would be increased to \$15,368,476.49 and Surplus to \$5,365,736.37. Securities carried at \$936,306.03 in the above statement are deposited as required by law.

A PROGRESSIVE, P



Since the beginning of Accident Insurance, no attempt has been made to furnish your prospect with other than a "ready made" policy. The prospect has had to accept a certain policy rather than being allowed to intelligently purchase the coverage he needs in the form and amount desired. Tradition has so decreed, and so it has been until now, when 100 years of tradition are upset and you can offer a plan by which

EACH BUYER BUILDS THE POLICY TO MEET HIS NEEDS

The SELECTIVE PLAN OF INCOME AND EXPENSE PROTECTION allows a special policy to be designed for each prospect. There are eleven separate and distinct coverages in the policy—Your client pays for only the combination of coverages desired and ignores the rest. He has his option of Principal Sum--Capital Sum--Weekly Indemnity--Full Coverage Medical Reimbursement--Deductible Medical Reimbursement and many other coverages. Benefits may be for accident only or for both accident and illness--coverage may be from the first day or with elimination periods. You and your prospect "custom build" each policy.

Details regarding our Commercial, Monthly and Group Accident and

American
COMPANY OF



Pennsylvania's Oldest Multiple L

, PRACTICAL PLAN

Never Before Have You Seen A Policy Like This:

This Policy provides indemnity for Loss of Limb and Sight caused by Accidental Bodily Injury and Indemnity for other Specified Losses as selected by the insured and expressed in The Schedule of Declarations to the extent herein provided.

American Casualty
Company of Reading, Pennsylvania
A Bond Company

In Consideration of the statements and representations in the application for this Policy, copy of which application is enclosed herewith and made a part hereof, and of the payment in advance of the total premium expressed in the Schedule of Declarations.

Does Heretofore Insure _____ of _____

by this policy, the Company agrees to indemnify the insured for the loss or losses specified in the Schedule of Declarations, subject to the terms and conditions hereof, and to the extent of the limit of liability specified in the Schedule of Declarations, and to the extent of the limit of liability specified in the Schedule of Declarations, and to the extent of the limit of liability specified in the Schedule of Declarations.

THE SCHEDULE OF DECLARATIONS

ACCIDENTAL BODILY INJURY BENEFITS

Coverage A: The Single Principal Sum under Part 1 of the Policy is _____

Coverage B: The Single Weekly Indemnity under Part 2 of the Policy is _____

Coverage C: The Limit of Full Coverage Hospital, Nurse, Medical and Surgical Expense under Part 3 of the Policy is _____

Coverage D: The Limit of \$25.00 Deductible Hospital, Nurse, Medical and Surgical Expense under Part 4 of the Policy is _____

SICKNESS BENEFITS

Coverage E: The Weekly Indemnity under Part 5 of the Policy is _____

Coverage F: The Limit of \$25.00 Deductible Hospital, Nurse, Medical and Surgical Expense under Part 6 of the Policy is _____

The Total Premium for this Policy is _____

SECTION 2
ACCIDENTAL BODILY INJURY BENEFITS

PART 1
PRINCIPLE SUM—DEATH—SINGLE BENEFIT

If death occurs shall result from an accident or from any cause, the Company shall pay the sum specified in Coverage A of the Schedule of Declarations, and in addition weekly indemnity as provided in Part 2 of the Policy to the date of death, but only the amount as specified in Coverage B of the Schedule of Declarations and such additional weekly indemnity will be paid for losses resulting from one accident.

No payment of Death Indemnity shall be made in case of payment for only loss enumerated in Part 7 of the Policy.

PART 2
SINGLE WEEKLY BENEFIT

Total A. If death occurs directly and independently of all other causes, shall, within thirty days from the date of accident, which and continuously disability the insured and prevent him from performing his occupation, the Company will pay weekly indemnity at the rate specified in Coverage B of the Schedule of Declarations for the period of such continuous total disability, but not exceeding fifty-two consecutive weeks. After the payment of weekly indemnity for fifty-two consecutive weeks, the payment of weekly indemnity of the same amount thereafter as long as the insured shall be wholly and continuously disabled for such bodily injuries from engaging in any occupation or employment for which he was engaged in at the time of the accident.

Partial B. If death occurs directly and independently of all other causes, shall, within thirty days from the date of accident, shall or immediately following a period of total disability covered under Paragraph A of the Part 2 continuously disabled and prevent the insured from performing one or more substantial and material duties of his occupation or employment, the Company will pay for the period of such disability, but not exceeding fifty-two consecutive weeks, a weekly indemnity of one-half the amount for total disability.

No payment of Weekly Indemnity shall be made in case of payment for any loss enumerated in Part 7 of the Policy except as herein provided.

WITNESSES: _____

Accidental Bodily Injury

not restricted to accidental means—the difference between broad and limited coverage.

Select Only

the coverages needed—eliminate those not needed—a personal policy is built for each client.

Reimbursement For

medical, surgical, hospital, and nurse bills up to the limit purchased which may range from \$250.00 to \$4000.00—covers both accidents and illness—full coverage accident or \$25.00 deductible form.

Thirty Days For

the development of disability—immediate disability is not required.

Life Indemnity

for total disability—income as long as needed.

Partial Disability

benefits payable for fifty-two full weeks not the usual twenty-six weeks—the amount is one half total disability benefits, not the usual two fifths.

Accident and Health Agency Franchise will be furnished upon request



Casualty
READING, PENNA.

Multiple Line Casualty Company

NEWS OF CASUALTY COMPANIES

National Lloyds of Baltimore Tells Its Plans

BALTIMORE—The National Underwriting Corporation, which was recently organized in Baltimore, at a meeting of directors, made arrangements for the beginning of operations. It is attorney-in-fact for National Lloyds and has offices in the Union Trust building. The prospectus gives the officers as: Col. Allan Rutherford, president; Howard P. Supplee, vice-president; Henry L. Duer, treasurer, and Charles M. Balder, secretary. These, with Dr. F. S. Robertson, Harry O. Levin and Purnell Johnson constitute the directors. Fred M. Supplee and Kirk A. Landon, who was formerly manager of Auto Mutual Indemnity, are the promoters. Registration of 1,000 units of underwriting participation in National Lloyds, which it is hoped will provide funds of \$1,000,000, has been recorded with the SEC. Minimum participations of \$1,000 and maximum of \$10,000 are being solicited. Mr. Landon is the manager.

The prospectus states that reinsurance will largely be with London Lloyds.

The type of securities which "underwriters" may deposit consists of ground rents, first mortgages on unencumbered fee-simple or improved leasehold real estate in any state to an amount not exceeding 60 percent of the fair market value, bonds or notes of the United

States or interest paying bonds or stocks of any state, county or municipality. Bonds or capital stock of any company are acceptable. Securities may not be in default as to interest and stocks must be dividend paying.

The individual participation of underwriters will be limited in each policy to an extent not exceeding 1 percent of the maximum amount of risk for each \$1,000 unit of participation.

The proposal is that National Underwriting Corporation receive 5 percent of net premiums written plus 10 percent of net profit. This compensation is to be in addition to the payment of all costs and expenses which the attorney-in-fact may be required to expend. All salaries except those of the executive officers of the attorney-in-fact are to be paid by National Lloyds.

The setup provides for an executive committee of five.

All policies will be nonparticipating. The Maryland department has agreed to license National Lloyds if participations to the extent of \$150,000 are sold.

The attorney-in-fact has authorized 2,000 shares of capital stock of which 1,000 is common without par value and 1,000 is preferred with a par value of \$100. The prospectus states that 800 shares of common have been issued and 40 shares of preferred.

Seeks Authorization for Purchase

BOSTON.—No opposition developed at a legislative hearing to the request of the Massachusetts Bonding for permission to purchase the modern 14-story building at 10 Postoffice Square, which it is acquiring as its new home office quarters. The insurance law limits such investments to 10 percent of the company's assets and it is estimated the purchase price of the new building will amount to about 12 percent. Permission was given by the insurance commissioner and authorization by the legislature will undoubtedly follow.

Indemnity Company Exhibit

The Indemnity of North America in its new statement reports assets \$26,468,051, as compared with \$25,616,025 the previous year. Claim reserve is \$12,214,974, an increase of about \$1,200,000. Premium reserve is \$6,428,803, an increase of about \$300,000. Capital is \$1,000,000 and net surplus \$5,017,109, as compared with \$5,672,175 the previous year.

Seeks to Change Charter

BOSTON.—The West Virginia insurance department has informed the Mutual Boiler of Boston that the company while providing for a single premium liability assessment in its by-laws actually has a five-premium liability, under the laws of Massachusetts. The company was chartered under a special act

of 1877 which provided that its policyholders assessment liability was five annual premiums. It is entered in 28 states and all, except West Virginia, had assumed the company was incorporated under the general laws which provide for but one premium liability. The discrepancy having been discovered, the company is asking the legislature to remove the provision from its charter.

Capital Has Been Increased

The paid-up capital of the Selected Risks Indemnity of Branchville, N. J., has been increased to \$300,000, partly by

a stock dividend of 4,500 shares at \$10 par, contributing \$45,000 and partly by a sale of 3,000 shares of stock at \$30 per share, \$90,000 being applied to capital and \$60,000 to surplus.

COMPANY NOTES

J. H. Cunningham, Shannon City, Ia., has been named district agent of the Farmers Automobile Inter-Insurance of Los Angeles for three counties.

Glen Hazen of Ottumwa, Ia., for many years Wapello county farm bureau agent, has been named district supervisor for the State Farm companies of Bloomington, Ill., in charge of 13 counties.

CASUALTY PERSONALS

M. A. Long, founder and president of the M. A. Long Construction Company, Baltimore, who died the other day, was a director of New Amsterdam Casualty, Insuranshares Certificates of Maryland, and Fidelity & Guaranty Fire.

E. E. Kolb, assistant vice-president in the bonding department of the Maryland Casualty, has just observed his 25th anniversary with the company. A dinner was tendered him by his associates, attended by E. J. Bond, Jr., president, and B. H. Bratney, vice-president and director of the bonding department.

Throughout his service with the Maryland, Mr. Kolb has been in the bonding section and is widely known to fidelity and surety men. He taught school for several years and studied law prior to his entry into the bonding business. In 1903 he joined the American Bonding and went with the Maryland in 1913 as superintendent of the judicial department. Nine months later he was made assistant secretary of the company. In 1928 he was named supervising underwriter in charge of fidelity and contract bonds and six years later was promoted to assistant vice-president.

B. L. Jordan, for many years secretary-manager of the Southern Aid Society, Negro industrial life and sick benefit company, died at his home in Richmond, Va. He started as an agent of the company years ago. He was so prominent in Negro circles in his home city that one of the Richmond newspapers paid him tribute in an editorial when he died.

J. A. Frates, Jr., president National Mutual Casualty, Tulsa, Okla., was guest of honor and key speaker at a meeting of the National Rig Building Employers Association at Seminole, Okla. He discussed the abuses of compensation, and urged cooperation with insurance carriers, which would redound to the benefit of assured, he pointed out. He also stressed the importance of maintaining a complete record system.

D. M. Ferry, Jr., chairman of the board of Standard Accident, and Mrs. Ferry are on a ten-day cruise to Nassau.

B. J. Nietschmann, manager Chicago service office National Surety, with his wife and son, William, is on vacation touring in the south. He plans to spend some time in Florida.

Funeral services were held in San Francisco for Charles H. Gatchel, veteran of the Firemen's group's Pacific Coast department. For the past nine years Mr. Gatchel has been in charge of the claims department, prior to which time he was for many years in charge of the Los Angeles office. He originally joined the group when it was with the old Potter general agency office in San Francisco about 32 years ago.

Prior to his departure for New York to become agency supervisor for the American Surety and New York Casualty, George F. Ainslie, Jr., who has been manager of the Columbus, O., office for a number of years, was presented a brief case by the office staff.

His successor, C. W. McNeil, who has been with the Columbus office, a long time, was given a fountain pen. The presentations were made by Charles J. Norton, state agent.

M. B. Brainard, Aetna Life president, left Friday with Mrs. Brainard on the "Santa Elena" for a Caribbean and South American cruise. Mr. Brainard only recently returned from a trip through the middle west during which he visited numerous representatives of the field agency force.

F. X. Malley, vice-president of American Reinsurance, has returned to New York after a business trip to Chicago, Rock Island, Ill., and two or three other points in the middle west.

H. S. Slipner, head of the Chicago agency bearing his name, is expected to return this week from a three weeks' motor trip to Florida.

Racketeers Are Punished

NEW YORK—Courts acted last week against one lawyer and a layman for offenses involving the liability claim racket, according to a weekly survey by the claims bureau of the Association of Casualty & Surety Executives.

In Shelby, N. C., just two weeks after staging his last accident, Leroy Hamrick, was sent to a chain gang for four months. According to police, he had been staging falls in buses, railways, stores and cafes. Hamrick, detectives said, after putting novocain in his eyes to prevent pain, covered his eye balls with small particles of glass. To complete the deception, he broke a light bulb or a window as he fell.

In Los Angeles, Louis Feinstein, a lawyer, was sentenced to prison for a term of one to five years following conviction on charges of persuading Mr. and Mrs. Leon Kent to file false claims for damages against a street railway company.

126,000 Truckers Registered

Those familiar with the long haul trucking situation state that 126,000 trucking operators have already made filings with the Interstate Commerce Commission under the federal motor carrier act of 1935. Trucking concerns throughout the country are failing at the rate of 15 a day. Some observers believe that if the number of trucking operators were reduced to about 80,000, the situation could be better controlled and less of an insurance problem would exist.

The long haul truckers through their associations are giving a good deal of attention to the problem of profitable operation. One study indicates that a trucking operator reaches his maximum efficiency on a haul of 260 miles. After that, his profit declines or his loss increases. Accordingly, some of the truckers are giving consideration to cutting down the length of their hauls.

This situation differs from the railroad, whose costs go down as the mileage increases.

Cash in on **Hoodoo Day**—for sales plan details write The Accident & Health Review, 175 W. Jackson Blvd., Chicago.

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To travel entire state for independent automobile stock casualty company having good financial statement and "A" rating. Apply in own handwriting, giving age, experience, etc. Must be thoroughly acquainted with automobile writing agents in Indiana and come well recommended. All correspondence will be treated in confidence.
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With practical knowledge of auto
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Filing of Safe Driver Plan Now Made in New York

(CONTINUED FROM PAGE 21)

In filing the plan with the New York department William Leslie, general manager of the National Bureau, emphasized the temporary basis of the adaptation in New York.

"We recognize that in this experimental field of rating there is likely to be a variety of ideas among companies," he wrote. "We believe, however, that there are certain fundamentals which should be established by the department as fixed requirements that any plan must meet if it is to receive your approval. In our opinion these fundamentals include:

"1. Standard definition of what shall constitute a claim which bars the risk from the reward or credit.

"2. Availability of the plan to every risk on an equal basis, irrespective of where it has insured in the past or where it insures in future.

"3. Safeguards inherent in the structure of the plan to obviate the competitive abuses which destroyed the old merit rating plan.

"4. Standard amount of indicated off-balance based upon a uniform method of estimating effect of the plan, with offsets for commission and tax savings."

Superintendent Pink has sent notices of the March 11 hearing not alone to bureau companies but to non-member companies as well, to the New York agents association, the four broker associations of this city, and to some 20 individuals who have displayed especial interest in the matter. Full opportunity will be afforded to discuss every phase of the safe driver automobile plan and of each alternative plan. Mr. Leslie is scheduled to address the semi-annual meeting of the New Jersey Association of Underwriters in Trenton March 11. Should he not return to New York for the hearing, the bureau will have another spokesman.

Consideration will also be given at the meeting to the graduated merit rating plan of the Indemnity of North America, submitted sometime ago but upon which the department has deferred action, and to those newly offered by J. J. Magrath on behalf of the United States Guarantee and of Continental Casualty, which has resigned from the bureau.

The latter two companies would allow a 10 percent rate discount except that a surcharge of 25 percent of manual would be imposed on risks certified under the financial responsibility law, on motorists who had been convicted within a year of any offense which results in revocation or suspension of license, on motorists who within a year have been convicted of two or more violations of vehicle or traffic laws. Those companies contend a system of surcharges is more equitable than any reward plan thus far submitted.

The theory of Continental Casualty and U. S. Guarantee in requiring surcharges in the rates is that a driver may demonstrate the fact that he is dangerous even though he is not involved in an accident causing bodily injury or property damage. A driver who is convicted or pleads guilty to a serious violation of the traffic laws is a poor risk even though in his violation he does not cause any property damage or injure anyone. Roy Tuchbreiter, executive vice-president of Continental Casualty, went to New York to make the filing for his company. He has now returned to Chicago. Continental Casualty will be represented at the hearing probably by President M. P. Cornelius.

The National Bureau of Casualty & Surety Underwriters inserted new advertisements in the Sunday papers, March 6, in behalf of the safe driver reward plan in those states where the plan is in actual operation. It consists of a cartoon scene outside the door of the

"Smith, Smith & Smith agency." A beaming individual is represented as saying: "I drive carefully, I have a safe driver reward policy." A terrified individual clad in a barrel says, "I wish I'd been insured." In the background is the sheriff leaving with the clothes and bank book of the uninsured motorist.

The reading matter is captioned "Everything You Own Is Too Much to Lose." There is an explanation of the plan, including the statement that bureau companies offer the services of 90,000 agents and brokers throughout the country. "This means prompt, personal service in every town and city in times of emergency, and expert advice at all

times, on all phases of insurance," the copy reads. The names of the 31 bureau companies appear in a box.

VIRGINIA HEARING MARCH 18

The hearing on the safe driver plan in Virginia is to be held at the state office building, Richmond, March 18. This follows the action of the Virginia corporation commission in rejecting the plan.

BIEL STILL OPPOSES PLAN

SANTA FE, N. M.—The basic rate in the safe driver plan is too high and the plan is discriminatory, Superintendent

ent Biel stated in answer to a request by Governor Tingley for a complete report by the corporation commission on the plan. The governor said he had received many inquiries about the plan, off hand it looked good to him, and he wanted to know why Mr. Biel had rejected it.

"Upon thorough study and analysis," Mr. Biel responded, "the plan reveals only a small refund to the purchaser who has paid the basic rate for his insurance. While it has been advertised that a 15 percent reward is to be made accident-free policy holders, it is misleading, as in reality only a 10 percent rebate is made and a penalty of 5 percent on the unfortunate policyholder



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Stability and Consistency
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ADMITTED ASSETS	\$6,252,435.03
CAPITAL	\$1,000,000.00
SURPLUS	\$1,256,413.79
OTHER LIABILITIES	\$3,996,021.24

As at December 31, 1937

★
**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY, MO.

DENNIS HUDSON, President

who may have had an accident and the company paid for a loss even though his policy was not in fault."

Mr. Biel's letter quoted an opinion from the attorney general to the effect the plan is invalid, and "violates all theories of insurance as contemplated by the insurance laws of this state."

Give N. C. Auto Experience

The North Carolina department has published the combined automobile premium and loss experience in the state for the past five years, including 1937. These figures embrace liability, property damage and collision written by casualty companies. In 1937 the combined premiums of the three classes were \$3,393,557 and losses paid \$1,585,107, the ratio being 46.7 percent. In 1936 the ratio was 45.2 percent, with premiums about \$500,000 less and losses about \$200,000 less. For the five years the premiums written were \$13,055,308, losses paid \$6,996,844, the ratio being 53.99.

The p. l. premiums in 1937 were \$2,466,184, and losses paid \$1,208,283, the ratio being 48.99. For property damage the premiums were \$829,633, losses \$314,824, the ratio being 37.94. For collision the 1937 premiums were \$97,740 and losses \$62,000, the ratio being 63.43.

CASUALTY COMPANY STATEMENTS

American Fidelity & Cas.—Assets, \$2,552,688; inc., \$813,380; unearned prem., \$172,514; loss res., \$144,516; liab. res., \$508,533; capital, \$675,000; surplus, \$676,469; inc., \$24,893. Experience:	
Net Prems.	Losses Pd.
Auto liability	\$2,426,344 \$1,163,161
Workmen's comp.	93 6
Auto prop. damage.	581,483 319,798
Auto collision	1,292
Other P. D. and coll.	8,914 6,181
Total	\$3,018,126 \$1,489,146

Auto Club of Mo.—Assets, \$783,871; inc., \$62,366; unearned prem., \$328,398; loss res., \$13,277; liab. res., \$126,280; surplus, \$293,339; dec., \$6,480. Experience:	
Net Prems.	Losses Pd.
Other liability	\$413,367 \$126,713
Plate glass—auto.	3,809 1,166
Auto prop. damage.	92,949 28,872
Auto collision	53,481 20,150
Auto fire	40,119 7,199
Auto theft	53,894 6,958
Total	\$657,619 \$191,058

American Employers—Assets, \$10,029,870; dec., \$145,899; unearned prem., \$2,184,733; loss res., \$509,767; liab. res., \$1,184,733. Experience:	
Net Prems.	Losses Pd.
Auto liability	\$3,812,963 1,498,750
Other liability	105,431 17,599
Workmen's comp.	1,176,637 424,122
Fidelity	1,299
Surety	15,504
Plate glass	18,675 6,625
Burglary and theft.	1,375 37
Steam boiler	3,010
Auto prop. damage.	1,085,872 371,949
Auto collision	54,443 32,110
Other P. D. and coll.	8,196 302
Total	\$6,306,682 \$2,367,670

732,189; comp. res., \$1,276,563; capital, \$1,000,000; surplus, \$2,059,791; dec., \$491,064. Experience:	
Net Prems.	Losses Pd.
Accident	\$64,299 \$26,774
Health	6,162 1,153
Auto liability	1,837,613 973,582
Other liability	704,887 166,775
Workmen's comp.	1,838,672 843,441
Fidelity	259,428 56,603
Surety	219,368 124,952
Plate glass	88,752 29,263
Burglary and theft.	216,932 58,090
Steam boiler	78,898 5,617
Engine and mach.	12,115 4,281
Auto prop. damage.	541,520 185,329
Auto collision	33,079 17,325
Other P. D. and coll.	43,254 8,384
Collective	347 22
Total	\$5,945,326 \$2,501,591

American Motorists—Assets, \$7,746,233; inc., \$1,047,510; unearned prem., \$1,891,272; loss res., \$310,080; liab. res., \$2,236,700; comp. res., \$637,640; capital, \$750,000; surplus, \$964,566; inc., \$105,576. Experience:	
Net Prems.	Losses Pd.
Accident	\$23,277 \$16,176
Auto liability	3,812,963 1,498,750
Other liability	105,431 17,599
Workmen's comp.	1,176,637 424,122
Fidelity	1,299
Surety	15,504
Plate glass	18,675 6,625
Burglary and theft.	1,375 37
Steam boiler	3,010
Auto prop. damage.	1,085,872 371,949
Auto collision	54,443 32,110
Other P. D. and coll.	8,196 302
Total	\$6,306,682 \$2,367,670

American States—Assets, \$2,265,450; inc., \$123,346; unearned prem., \$934,306; loss res., \$62,269; liab. res., \$481,605; capital, \$300,000; surplus, \$301,394; inc., \$1,394. Experience:	
Net Prems.	Losses Pd.
Bonds	\$3,164 \$54
Auto liability	1,023,208 294,674
Auto fire	77,123 14,092
Auto theft	98,483 17,074
Auto prop. damage.	454,591 138,748
Auto collision	382,305 202,927
Auto, wind	16,637 2,318
Total	\$2,055,514 \$669,890

Bituminous Casualty—Assets, \$5,475,162; inc., \$1,188,392; unearned prem., \$1,267,025; loss res., \$3,620; liab. res., \$136,707; comp. res., \$2,538,412; capital, \$300,000; surplus, \$735,073; inc., \$38,342. Experience:	
Net Prems.	Losses Pd.
Other liability	\$185,550 \$34,034
Workmen's comp.	4,997,418 2,231,914
Other P. D. and coll.	32,628 6,463
Total	\$5,215,596 \$2,272,411

Butchers' Mutual Casualty—Assets, \$1,302,302; inc., \$274,597; unearned prem., \$419,281; loss res., \$1,098; liab. res., \$30,207; comp. res., \$312,833; surplus, \$450,937; inc., \$170,221. Experience:	
Net Prems.	Losses Pd.
Auto liability	\$24,403 \$515
Other liability	34,588 3,554
Workmen's comp.	1,005,102 315,452
Plate glass	14,828 6,977
Auto prop. damage.	4,719 861
Total	\$1,083,640 \$327,359

Commercial Standard—Assets, \$3,065,086; inc., \$305,211; unearned prem., \$1,128,706; loss res., \$125,563; liab. res., \$524,084; comp. res., \$193,947; capital, \$500,000; surplus, \$428,548; inc., \$5,779. Experience:	
Net Prems.	Losses Pd.
Fire	\$34,596 \$12,040
Tornado	6,626 1,232
Title	19,406 3,871
Auto liability	1,144,469 524,758
Other liability	158,158 67,677
Workmen's comp.	680,711 370,819
Fidelity	19,502 8,332
Surety	43,766 253
Plate glass	35,476 19,523
Burglary and theft.	11,959 2,676
Auto fire	74,696 36,031
Auto theft	70,802 16,780
Auto prop. damage.	436,541 132,761
Auto collision	116,923 80,254
Other P. D.	737
Other auto	46,603 37,937
Total	\$2,900,971 \$1,314,438

Employers Casualty, Tex.—Assets, \$2,723,728; inc., \$539,886; unearned prem., \$1,057,264; loss res., \$75,006; liab. res., \$412,638; comp. res., \$128,595; capital, \$300,000; surplus, \$501,645; inc., \$165,107. Experience:	
Net Prems.	Losses Pd.
Auto fire	\$56,015 \$15,377
Auto theft	42,704 12,638
Fire	93,317 3,606
Auto liability	789,624 315,385
Other liability	252,537 68,800
Workmen's comp.	450,037 173,948
Hospitalization	205,217 122,223
Plate glass	17,358 7,227
Burglary and theft.	12,017 4,332
Tornado	31,342 1,196
Misc. bonds	8,652 1,957
Auto prop. damage.	272,622 109,012
Auto collision	120,103 89,290
Other P. D. and coll.	21,455 6,409
All other	78,376 62,101
Total	\$2,451,375 \$991,109

Employers' Liability—Assets, \$42,482,356; inc., \$255,363; unearned prem., \$9,110,315; loss res., \$1,312,335; liab. res., \$8,439,846; comp. res., \$9,961,229; capital, \$715,000; surplus, \$8,459,945; inc., \$144,974. Experience:	
Net Prems.	Losses Pd.
Accident	\$334,052 \$119,013
Health	78,930 39,885
Non-cane. H. & A.	677
Auto liability	7,199,224 3,990,686
Other liability	4,664,282 1,504,190
Workmen's comp.	11,542,083 5,643,334
Fidelity	593,568 131,538
Surety	222,893 90,202
Plate glass	291,150 125,652
Burglary and theft.	848,976 196,188
Steam boiler	418,369 76,600
Engine and mach.	209,307 22,158
Auto prop. damage.	2,028,728 713,476
Auto collision	141,728 56,652
Other P. D. and coll.	292,223 45,598
Collective	24,936 14,231
Total	\$28,891,126 \$12,769,402

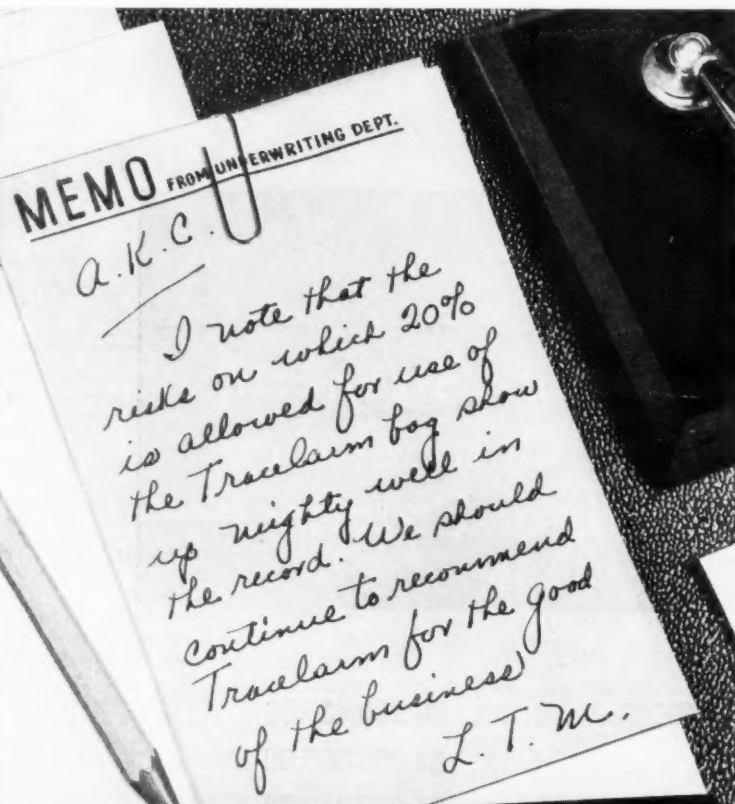
Equity Mutual, Mo.—Assets, \$476,961; inc., \$158,065; unearned prem., \$263,198; loss res., \$8,751; liab. res., \$47,908; comp. res., \$23,173; surplus, \$165,721; inc., \$15,108. Experience:	
Net Prems.	Losses Pd.
Auto liability	\$169,274 \$80,355
Other liability	36,040 5,177
Workmen's comp.	107,712 20,618
Surety	11,336 2,547
Plate glass	2,912 1,649
Auto prop. damage.	76,743 22,627
Auto collision	10,667 10,059
Total	\$414,684 \$143,032

Excess—Assets, \$3,202,909; dec., \$533,827; unearned prem., \$441,123; loss res., \$119,792; liab. res., \$870,449; comp. res., \$201,443; capital, \$755,095; surplus, \$605,381; inc., \$102,671. Experience:	
Net Prems.	Losses Pd.
Accident	\$7,352 \$4,686
Health	378 420
Auto liability	668,192 582,926
Other liability	113,440 75,889
Workmen's comp.	92,957 14,674
Fidelity	33,647 17,731
Surety	31,277 8,542
Plate glass .....	..... 57
Burglary and theft.	6,005 1,295
Steam boiler	1,786
Engine and mach.	4,782 2,386
Auto prop. damage.	52,237 52,367
Auto collision	81 274
Other P. D. and coll.	3,203 1,713
Total	\$1,015,175 \$762,960

Exchange Mut. Indem., N. Y.—Assets, \$1,786,244; inc., \$61,090; unearned prem., \$266,786; loss res., \$8,787; liab. res., \$274,854; comp. res., \$583,802; surplus, \$549,993; inc., \$31,134. Experience:	
Net Prems.	Losses Pd.
Auto liability	\$298,404 \$112,955
Other liability	46,733 26,264
Workmen's comp.	640,236 296,474
Auto prop. damage.	78,145 37,969
Auto collision	1,311 38
Other P. D. and coll.	8,409 7,843
Total	\$1,073,238 \$481,543

Greater New York Taxpayers Mut.—Assets, \$2,745,956; dec., \$75,399; unearned prem., \$743,112; liab. res., \$1,232,435; surplus, \$711,410; inc., \$125,807. Experience:	
Net Prems.	Losses Pd.
Other liability	\$1,444,794 \$735,497
Total	\$1,444,794 \$735,497

Fireman's Fund Indem.—Assets, \$9,726,449; inc., \$581,912; unearned prem., \$2,390,525; loss res., \$482,405; liab. res., \$1,689,070; comp. res., \$1,165,699; capital, \$1,057,264; loss res., \$75,006; liab. res., \$412,638; comp. res., \$128,595; capital, \$300,000; surplus, \$501,645; inc., \$165,107. Experience:	
Net Prems.	Losses Pd.
Auto fire	\$56,015 \$15,377
Auto theft	42,704 12,638
Fire	93,317 3,606
Auto liability	789,624 315,385
Other liability	252,537 68,800
Workmen's comp.	450,037 173,948
Hospitalization	205,217 122,223
Plate glass	17,358 7,227
Burglary and theft.	12,017 4,332
Tornado	31,342 1,196
Misc. bonds	8,652 1,957
Auto prop. damage.	272,622 109,012
Auto collision	120,103 89,290
Other P. D. and coll.	21,455 6,409
All other	78,376 62,101
Total	\$2,451,375 \$991,109



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Section 6,
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Messenger Bags

PROTECT MESSENGERS AND PROPERTY

\$1,000,000; surplus, \$2,429,150; dec., \$166,278. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 196,266	\$ 74,173
Health	23,714	7,720
Auto liability	1,782,129	663,272
Other liability	924,242	253,395
Workmen's comp.	1,620,713	694,450
Fidelity	209,032	40,354
Surety	208,651	48,604
Plate glass	97,526	37,658
Burglary and theft.	195,221	50,986
Auto prop. damage.	446,485	181,646
Auto collision	26,857	12,682
Other P. D. and coll.	63,443	10,088
Total	\$5,794,279	\$2,075,028

Hudson Mohawk Mut. Cas.—Assets, \$424,875; inc., \$17,287; unearned prem., \$53,976; liab. res., \$5,915; comp. res., \$115,994; surplus, \$229,985; inc., \$36,328. Experience:

	Net Prems.	Losses Pd.
Other liability	\$ 4,531	\$ 6,825
Workmen's comp.	264,357	126,608
Other P. D. and coll.	207	.....
Total	\$ 269,095	\$ 133,433

Illinois Agricultural Mut.—Assets, \$1,634,993; inc., \$303,213; unearned prem., \$355,312; loss res., \$141,220; liab. res., \$328,588; comp. res., \$16,092; surplus, \$814,943; inc., \$156,070. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 408,363	\$ 183,463
Employers liability.	27,996	7,425
Fire, wind and theft.	167,152	21,590
Auto prop. damage.	166,763	85,169
Auto collision	406,127	339,133
Livestock	5,577	2,514
Total	\$1,181,984	\$ 644,294

Illinois National Cas.—Assets, \$689,262; inc., \$32,940; unearned prem., \$270,496; loss res., \$26,104; liab. res., \$89,477; capital, \$200,000; surplus, \$62,635; dec., \$12,365. Experience:

	Net Prems.	Losses Pd.
Auto fire and wind.	\$ 40,996	\$ 10,805
Auto liability	262,726	100,484
Plate glass	1,936	701
Auto theft	36,974	4,982
Auto prop. damage.	128,790	35,502
Auto collision	154,032	85,376
Total	\$ 623,454	\$ 240,850

Liberty Mutual—Assets, \$55,159,531; inc., \$8,028,044; unearned prem., \$9,599,191; loss res., \$745,582; liab. res., \$8,269,305; comp. res., \$20,500,548; surplus, \$8,173,336; inc., \$1,133,371. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 42,979	\$ 8,884
Auto liability	8,520,491	3,757,273
Other liability	3,397,653	959,160
Workmen's comp.	26,109,872	10,778,659
Fidelity	427,793	73,023
Plate glass	35,369	14,354
Burglary and theft.	236,202	85,190
Steam boiler	2,973	.....
Engine and mach.	8,111	.....
Auto prop. damage.	2,099,615	827,557
Auto collision	167,634	77,415
Other P. D. and coll.	186,069	37,546
Total	\$41,234,761	\$16,619,061

Life & Casualty, Tenn.—

	Net Prems.	Losses Pd.
Accident	\$ 668,633	\$ 260,725
Health	847,581	330,469
Non-canc. H. & A.	217,072	84,611
Total	\$1,733,286	\$ 675,805

Lumber Mutual Cas., N. Y.—Assets, \$2,397,023; inc., \$19,255; unearned prem., \$339,204; loss res., \$18,378; liab. res., \$164,736; comp. res., \$1,006,587; surplus, \$288,599; dec., \$153,062. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 146,770	\$ 53,093
Other liability	122,939	44,665
Workmen's comp.	1,346,313	530,501
Auto prop. damage.	46,784	7,054
Auto collision	3,137	1,077
Other P. D. and coll.	41,470	3,769
Total	\$1,707,413	\$ 640,159

Massachusetts Accident—Assets, \$1,981,549; unearned prem., \$278,137; loss res., \$834,326; non-canc. A. & H. res., \$566,025; capital, \$125,000; surplus, \$125,704. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$ 599,592	\$ 256,322
Non-canc. H. & A.	536,924	463,991
Total	\$1,136,516	\$ 720,313

Metropolitan Life—Assets, \$4,719,720,827; inc., \$225,019,055; unearned prem., \$2,422,312; loss res., \$4,785,280; non-canc.

A. & H. res., \$196,456; surplus, \$270,504,660; dec., \$7,920,008. Experience:

	Net Prems.	Losses Pd.
Accident	\$6,472,682	\$2,573,324
Health	12,789,602	7,006,580
Non-canc. H. & A.	63,884	101,070
Total	\$19,326,168	\$9,680,974

Michigan Mutual Auto—Assets, \$239,590; inc., \$80,280; unearned prem., \$127,154; loss res., \$17,346; liab. res., \$28,178; surplus, \$50,448; dec., \$8,481. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 123,315	\$ 36,880
Auto prop. damage.	69,865	26,353
Auto collision	52,040	39,559
Other auto	29,852	6,002
Total	\$ 275,073	\$ 108,795

New Century Casualty—Assets, \$588,154; inc., \$32,264; unearned prem., \$204,275; loss res., \$19,084; liab. res., \$37,638; capital, \$200,000; surplus, \$85,909; dec., \$6,626. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 93,870	\$ 35,599
Plate glass	284,680	132,549
Auto prop. damage.	39,022	16,659
Auto collision	2,082	1,504
Total	\$ 419,654	\$ 186,311

North American Accident—Assets, \$2,989,749; inc., \$165,006; market value of assets, \$3,012,259; unearned prem., \$1,212,024; loss res., \$459,945; capital, \$400,000; surplus, \$406,359; inc., \$9,435. Experience:

	Net Prems.	Losses Pd.
Accident	\$3,930,982	\$1,440,937

Occidental Indem.—Assets, \$3,651,132; dec., \$64,155; unearned prem., \$556,869; loss res., \$44,077; liab. res., \$566,370; comp. res., \$382,929; capital, \$750,000; surplus, \$1,096,080; dec., \$247,139. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 14,610	\$ 9,029
Health	860	38
Auto liability	632,169	216,572
Other liability	229,396	91,450
Workmen's comp.	502,215	216,600
Fidelity	56,605	19,644
Surety	33,081	2,123
Plate glass	14,728	6,905
Burglary and theft.	61,330	13,160
Auto prop. damage.	26,196	10,238
Other P. D. and coll.	42,672	2,970
Total	\$1,613,862	\$ 588,729

Pacific Automobile—Assets, \$1,073,005; inc., \$62,170; unearned prem., \$423,199; loss res., \$30,192; liab. res., \$196,707; capital, \$201,335; surplus, \$179,160; inc., \$7,477. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 508,763	\$ 260,977
Other liability	3,895	38
Auto prop. damage.	185,096	98,264
Auto collision	119,848	67,524
Other auto	58,450	20,051
Total	\$ 876,052	\$ 446,854

State Farm Mut. Auto—Assets, \$13,463,188; inc., \$1,529,488; unearned prem., \$3,912,380; loss res., \$507,231; liab. res.,

\$3,046,092; surplus, \$3,377,955; inc., \$515,624. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$5,520,031	\$2,670,347
Auto prop. damage.	1,806,664	791,930
Auto collision	2,707,345	1,580,428
Auto comprehensive	890,017	261,948
Total	\$10,924,057	\$5,304,653

Texas Employers—Assets, \$4,377,954; inc., \$1,191,297; unearned prem., \$474,368; comp. res., \$1,894,302; surplus, \$1,404,485; inc., \$568,616. Experience:

	Net Prems.	Losses Pd.
Workmen's comp.	\$4,467,714	\$2,012,955

Tower Mutual—Assets, \$289,285; inc., \$2,549; unearned prem., \$125,177; loss

res., \$9,817; liab. res., \$56,310; capital, \$178,500; surplus, \$77,591; dec., \$31,774. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 201,178	\$ 97,039
Fire	2,110	927
Tornado	319	1
Plate glass	58	7
Burglary and theft.	1,770	893
Cargo	2,382	46
Auto prop. damage.	106,388	36,417
Auto collision	6,858	6,221
Towing	6	.....
Total	\$ 321,069	\$ 141,551

Utilities—Assets, \$805,919; dec., \$20,608; unearned prem., \$255,668; loss res., \$31,808; liab. res., \$138,464; comp. res.,



ACCIDENT COVERAGE FOR PEOPLE PAST SIXTY

Don't pass up this business!

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their

premium incomes by writing the Over Age Accident Contract available through this organization.

Underwritten by prominent underwriters, it covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

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The Massachusetts Bonding and Insurance Company takes pride in the long honor roll of agents representing it uninterruptedly for a quarter of a century or more.

Reasons for this mutually happy relationship are:

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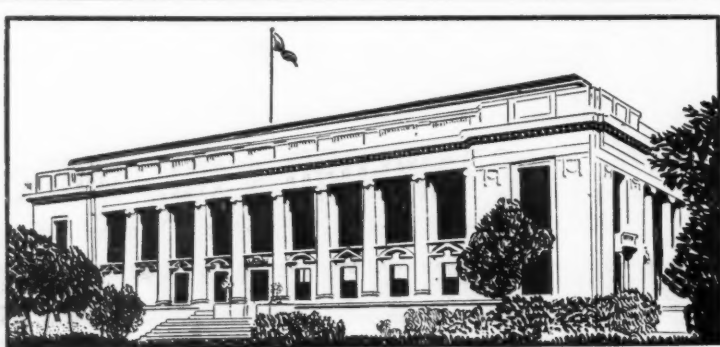
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UPHOLDS DRAM SHOP ACT
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\$20,000

AGAINST OWNERS OF BUILDING
IN WHICH LIQUOR WAS SERVED

Every owner of a building in which intoxicating beverages are served, may find himself in difficulties by reason of the ILLINOIS LIQUOR CONTROL LAW, unless he is protected with insurance.

The real estate and personal property of the building owner and tavern keeper may be sold to satisfy such judgment.

REMINDE YOUR CLIENTS OF THIS DRASTIC LAW

For particulars address

A. F. SHAW & COMPANY, INC.
Insurance Exchange CHICAGO WABash 1068

\$38,030; capital, \$200,000; surplus, \$105,000. Experience:

	Net Prens.	Losses Pd.
Accident	\$ 7,790	\$ 4,838
Auto liability	532,713	266,009
Other liability	50,617	9,170
Workmen's comp. ..	134,390	75,802
Auto prop. damage ..	159,623	76,903
Auto collision	48,998	34,958
Other P. D. and coll.	5,154	875

Total

Yorkshire Indemnity—Assets, \$2,553,756; inc., \$38,105; unearned prem., \$456,205; loss res., \$107,027; liab. res., \$357,205; capital, \$750,000; surplus, \$660,636; dec., \$146,903. Experience:

	Net Prens.	Losses Pd.
Auto liability	\$ 252,520	\$ 144,609
Other liability	213,467	33,565
Fidelity	43,150	2,850
Surety	146,217	14,207
Plate glass	57,603	32,845
Burglary and theft ..	68,407	20,463
Auto prop. damage ..	80,755	32,694
Auto collision	483	685
Other P. D. and coll.	8,291	468

Total

In the published figures, **Hardware Mutual Casualty**, Stevens Point, Wis., calls attention to a misleading item as to "surplus-guaranty fund" that being given as \$1,345,623. That is the surplus less guaranty fund. The surplus to policyholders is \$1,845,623, which is the combined net surplus and guaranty fund.

SURETY

Leaders Attend Sound-off in Michigan Bond Drive

DETROIT — The opening meeting here of the Michigan fidelity bond campaign was preceded by a luncheon at which the officers and directors of the Surety Association of Michigan entertained the speakers and a group of special guests. Speakers who talked briefly of the value of these fidelity bond meetings included President W. G. Curtis of the National Casualty; Vice-president K. R. Owen, Standard Accident; J. A. Grow, Homer Warren & Co., past president Michigan Association of Insurance Agents; A. I. Dreifus, president Detroit Association of Insurance Agents; Waldo Hildebrand, field secretary Michigan association; H. S. Frank, president Surety Association of Cleveland; Harry Quinn, manager Maryland Casualty; K. O. Saunders, manager Maryland Casualty, Cleveland, and Walter Nichols, manager fidelity bond division Standard Accident. President George Bortz, Fidelity & Deposit, presided.

T. A. Eggleston, Aetna, heads the general committee of the surety association in charge of the fidelity bond campaign, assisted by A. A. Clark, Standard Accident, on publicity; Rankin Martin, National Surety, advertising; A. C. Taylor, Fidelity & Deposit, program; H. J. Jeffrey, Metropolitan Casualty, public relations, and J. C. Smith, American Surety.

(Talks at the Detroit meeting are printed on Pointers for Local Agents page.)

Number of Candidates Increases

NEW YORK—Those who have registered for the Insurance Institute of America, examinations to be held next month, number 3,424. This is an increase of 700 over the record of the previous year. Practically every insurance society and study group of the country has registered more students this year than in 1937. Some 370 candidates are taking the courses by correspondence.

Proceedings Are Published

The printed copies of the 1937 proceedings of the American Association of University Teachers of Insurance are now available. The book contains 75 pages and costs \$1.50. The secretary is J. E. Partington, 312-E University

Hall, State University of Iowa, Iowa City, Ia.

ASSOCIATIONS

Automobile Club Organized

HARTFORD—J. B. Roberts, supervising underwriter of the Hartford Accident, was elected president of the newly-formed Automobile Underwriters Casualty Club of Hartford. The association, made up of members of local home offices affiliated with the National Bureau of Casualty & Surety Underwriters, is primarily to promote friendship among automobile insurance men, and will offer a program of speakers later in the year.

D. J. Sheehan, London & Lancashire Indemnity, was elected first vice-president; Michael L. Daly, Travelers, second vice-president; R. E. Price, Century Indemnity, secretary, and B. J. Fay, Aetna Life, treasurer. There are 32 charter members.

Koch to Give Address

CINCINNATI—G. E. Koch, chairman of the speakers' bureau, Cincinnati Traffic Safety Council, will address the Cincinnati Claims Association March 11. His talk will be illustrated with motion pictures furnished by the accident prevention squad.

Ohio Membership Campaign

COLUMBUS.—The Ohio Association of Casualty & Surety Managers, at its first meeting under the new administration, decided to put on a membership campaign, and a committee was appointed to conduct the canvass. On it are W. C. Smith, Hartford Accident, Columbus; John H. Parks, Royal Indemnity, Cleveland, and F. J. Roelle, Fidelity & Deposit, Cincinnati. A plan was considered for closer cooperation with the National Bureau of Casualty & Surety Underwriters and the Townner Rating Bureau. The next meeting will be held in Columbus, April 5.

Will Stimulate Production

KANSAS CITY.—Moulton Green, president of the Casualty & Surety Underwriters Association, will appoint a production committee to work out ideas for stimulating the sale of casualty lines. The committee will carry on where the fidelity bond production campaign left off. The suggestion was made by H. P. Linn, vice-president Central Surety.

The association at its future meetings will have a local expert in some line of casualty or surety coverage outline its fundamentals.

Claim Men Hear Legislator

MINNEAPOLIS—State Senator C. N. Orr addressed a meeting this week of the Minneapolis Claim Association. He is a member of the insurance committee of the state senate.

N. Y. A. & H. Week Committee

Plans have been completed for observance of National Accident & Health Week in the New York metropolitan area. J. F. O'Loughlin, vice-president Royal Indemnity, is the chief sponsor and W. T. Hammer, Loyalty group, is acting for the greater New York committee. He has appointed a number of vice-chairmen in charge of various activities, including W. L. Kick, Century Indemnity; R. F. Chapman, Royal Indemnity; H. M. George, U. S. F. & G.; F. T. Curran, Continental Casualty; J. R. Garrett, National Casualty; F. G. Burgoyne, Maryland Casualty; R. P. Constable, U. S. Casualty; L. M. Farrell, Hartford Accident, and J. L. Ullman of W. L. Perrin & Son.

W. F. Walling, 62, a local agent at Anthon, Ia., since 1902, died at Long Beach, Cal.

Exhorts Illinois Banks to Get Properly Covered

(CONTINUED FROM PAGE 21)

done entirely by the directors. At reasonable intervals, the board should make it a regular order of business to review and determine as accurately as possible the extent of the various insurance risks and the amount of their exposure.

Department "Hard Boiled"

"In the matter of fidelity insurance, actual experience has made this department very hard-boiled," the bulletin states. "We consider no individual whose activity brings him in contact with the assets of any of our state banks exempt from fidelity insurance. It is a waste of time to tell us that president so and so owns most of the stock in the bank, is in active charge and watching operations carefully and therefore should be exempt from a bond. We are deaf to the reminder that the cashier is the son of the president or one of the wealthy directors whose family history goes back unscathed for generations and would be offended by being placed under a surety bond. We have seen principal owners and fair haired boys go just as wrong, and more so, than the most benighted teller or messenger. We are all human and, under the pressure of circumstances, the best of us may do foolish acts. We have in mind, at the moment, a misappropriation of \$10,000 carried out over a considerable period of time to cover clerical errors. We recall another case of a misplacement of over \$70,000 to cover clerical and accounting errors. There is a wide variety of reasons underlying embezzlement and defalcations of officers and employees with motives ranging from criminal to almost noble but the result is always the same—loss.

"We have before us figures showing that approximately 60 percent of all insurable loss suffered by banks result from embezzlement or dishonesty. It is gratifying to note that bank losses from robbery are steadily diminishing. The same figures above quoted show that only 6 percent of insurance losses result from robbery and hold up, while less than 1 percent result from burglary. During recent years our law enforcement agencies have improved tactics and technique to a point where bank banditry and burglary have become very futile means of livelihood, while further protection has been gained by many modern and improved protective devices and equipment. Forgery losses can be controlled and minimized by alertness and care in signature identification and, particularly, in properly identifying individuals opening new accounts and their transactions. However, all banks are to a greater or lesser degree vulnerable through this avenue, depending upon the volume and character of the clientele.

Unwarranted Risk

"A bank can and should insure itself against all of these risks to which it is exposed and a bank management that will neglect or refuse to insure the bank to the full extent of its exposure is taking an unwarranted risk to the jeopardy of stockholders' investment and depositors' funds. We have occasionally discussed this matter with bank managements who, while admitting deficiencies of insurance protection, have pointed out that the bank could not afford the protection necessary. Our answer to that contention is also hard-boiled but based upon actual experience. The bank that fails to earn enough from its operations to provide adequate protection against the established risks of the business can hardly justify its bid for public patronage. A bank management finding the institution in such a position should seriously consider the advisability of continuing operation.

"We have attempted to give to bank managements a broad and general view of their risks and we shall now undertake to assist directors in the study and

meeting of their own immediate needs in this respect. In this connection, we feel it timely to set down here a recommendation that we have had under consideration for some time. We feel that in all banks the determination of insurance needs and the placing thereof should be done entirely by the board of directors. At reasonable intervals, the board should make it a regular order of business to review and determine, as accurately as possible, the extent of the various insurable risks and the amount of their exposure. They should consult with reliable and well informed insurance brokers as to details in acquiring the protection they need. And it is particularly important that their minutes show that the bank's schedule of insurance protection and periodical alterations thereof have been considered and approved by the board of directors.

Corporate Surety

"In discussing hereinbelow the various forms of coverage, we shall refer entirely to corporate surety for the reason that personal surety in any form is not acceptable to this department.

"Bank insurance has been greatly simplified in recent years by the establishment of the so-called blanket policy. In former years separate policies were written for fidelity, burglary and robbery, theft, larceny, misplacement, damage or destruction, forgery, etc. These separate policies required individual handling and watching for lapses. The blanket policy consolidates all of this protection into one policy and it is important to note that a blanket policy cannot lapse but must be cancelled by either the bank or the underwriter. Most, if not all, of the nationally recognized companies issue two different blanket policy forms. In referring to these forms below, we shall not use the designation of any particular company but descriptive terms of our own.

Minimum Blanket Bond

"The first we will call the minimum blanket bond. This bond will usually cover any loss sustained through any dishonest, fraudulent or criminal act of any employee, wherever committed. It should further cover the following losses on the bank's premises:—burglary, robbery or holdup, theft, larceny, damage or destruction, damage except by fire to insured's offices, safes, vaults, equipment, etc., caused by larceny or theft in or by burglary, robbery or hold up of such offices or attempt thereof. This same bond will protect the bank against loss of defined property in transit through larceny, robbery or hold up, theft or negligence of employees or of employees of armored motor vehicle companies. It is important to note in this policy that after a loss has been sustained, the coverage of the policy is automatically restored against future losses. To this form may be added, by rider, protection against misplacement or mysterious unexplainable disappearance. A certain amount of forgery and alteration insurance can also be added under the minimum blanket bond.

"We shall call the second form of blanket coverage the major blanket bond. This form should contain all of the protection provided in the minimum form, above outlined, and added coverage, as follows: misplacement or mysterious unexplainable disappearance either on the bank premises or in transit, damage or destruction in transit, loss through negligence or otherwise on the part of employees or employees of armored motor vehicle companies in transit, loss through misplacement of interim certificates, warrants, rights or other securities. To this form may be added, by rider, protection up to and including 25 different acts of forgery. It is important to note that when loss is sustained under this form, the coverage of the bond is automatically restored to cover not only future losses, as in the minimum form, but prior undiscovered losses as well."

L. I. Baker, formerly treasurer of the Oklahoma Association of Insurers, has been elected a director of the Oklahoma City Y. M. C. A.

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and the
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in RITZVILLE and
COEUR D'ALENE



"Lloyds" Must Make Deposit As Assets Are Not "Capital"

The right of Lloyds America of Texas to demand a license in Alabama came before the supreme court of the latter state and recently was decided in favor of the insurance commissioner, who had declined to issue the license. The question in Alabama seemed to turn on the meaning of the word capital.

Lloyds America made application for a permit and license to write automobile liability, workmen's compensation and general public liability in Alabama. The application being denied, petition for a writ of mandamus was filed.

The petition stated that the superintendent of insurance claimed that Lloyds must have a deposit of not less than \$200,000 with the Alabama treasurer or with the financial officer of some other state before it could be licensed in Alabama.

The Alabama statute, section 8360, provides for the authorization of "Lloyds" but requires a deposit, in Ala-

bama or some other state, if the Lloyds does not have an actual paid up cash capital.

Lloyds America averred that it had a "capital of \$800,000." Its total admitted assets were \$870,278.39, leaving a surplus of \$131,808.39 over liabilities.

The court pointed out the form of agreement by which a Lloyds is organized. Each underwriter has the privilege of withdrawal. His subscription to the guaranty fund thereafter stands as security only for policies theretofore written. Subject to this charge, and after such policies have expired and demands accruing thereon are paid, the underwriter may have his account closed and withdraw all his balance. Under such set up, rules the court, it cannot be said that paid in subscriptions by underwriters became the absolute property of the association, like paid in capital stock in an ordinary corporation, an asset behind the policy issued so long as in business. The case was Lloyds America vs Julian.

W. P. Pittman has bought the Stanley Shepherd agency, **Selling, Okla.**

Goodwin Again Pushes State Fund Bill in Massachusetts

BOSTON—Urging favorable action on a bill to establish a division of motor vehicle insurance in the department of public works, of which the registry of motor vehicles is a part, Frank A. Goodwin, registrar of motor vehicles, and other proponents took up an entire day before the insurance committee of the legislature. Goodwin maintained such a division could be operated by the state at a cost of less than \$1,000,000 annually. The department would be backed by a state fund, be non-competitive, and the state would be drawn upon to meet any possible deficits. He claimed a flat rate of \$18 would meet all costs. While a fixed scale of rates is provided in the bill, the measure also provides that the board could increase or diminish the rates at any time.

Although admitting that for several years the companies lost money on automobile insurance in Massachusetts, Mr. Goodwin claimed they had made \$2,000,000 in 1936 and \$3,000,000 in 1937.

The measure was opposed principally by John W. Downs, counsel for the insurance interests, on the grounds that such a non-competitive state fund had already been definitely declared unconstitutional by the supreme court of the state. "The average flat rate for the state for all cars at the present time is \$31.70 cents" said Mr. Downs and, contrary to the claim of Mr. Goodwin, "it would cost \$20 per car to meet the actual losses without expenses." Quoting a former commissioner, Wesley E. Monk, Mr. Downs declared it would take a building larger than the state capitol to house the force necessary to conduct the insurance business for the car owners, at least 25,000 being necessary for the work. He said the insurance companies now employ 600 or more claim adjusters to settle cases in Massachusetts and it was ridiculous for the registrar to say he could do the same work with a handful of men.

H. B. Church, a large truck owner, speaking for the Motor Club of Massachusetts, said he did not see how the state could conduct such a business unless it was licensed to do business in all states. The federal regulations demand that all trucks be insured in companies entered in states traversed by such trucks. He personally carries \$100,000 to \$300,000 excess coverage. He doubted if the state would be prepared to furnish such excess coverage which he would have to secure outside at what would probably be excessive cost, probably more than he paid altogether now.

Thomas Canning, representing the Knights of Labor, declared passage of the bill would throw 25,000 insurance office employees out of jobs in Massachusetts.

Martin J. Meehan Succumbs

Martin J. Meehan, assistant manager of the Syracuse office of Travelers Indemnity, died in St. Joseph's hospital in that city last Monday morning. He had undergone an operation for intestinal disorder early last week.

Mr. Meehan was well-known among insurance men. During the war he saw over-seas action and was recommended for the distinguished service cross. He received the Croix de Guerre of France and Belgium and the Order of the Purple Heart from the United States government for being wounded in action.

Plans of the Syracuse Casualty Club to attend a dinner and address by T. A. Fleming of the National Board were canceled upon word of Mr. Meehan's death.

Lebby's Phoenix Appointment

W. E. Lebby, accident and health general agent of Los Angeles, has appointed the Insurance Service Agency of Phoenix, Ariz., as agent for his office to write surplus accident and health lines and also for the National Casualty.

Levinson's Book Deals with Foreign Substance Racket

"Easy Money" is more alluring today than ever before, and unscrupulous persons are always looking for opportunities to accumulate money with the least possible effort. One such method, becoming increasingly popular, is to institute damage claims for injuries received from foreign substances in foodstuffs. Since the depression there has been a steady increase in these foreign substance claims. They are presented throughout the country, but mainly in the larger cities.

The producers and distributors of bread, crackers, canned goods, confectionery, and other food products are the constant target for hopeful claimants. While there are occasional legitimate claims, the majority are trumped-up cases, many of them bringing substantial returns to the claimant.

Dr. Charles A. Levinson of Boston has written a book entitled "The Examining Dentist in Food Hazard Cases." He is an examining dentist for insurance companies, manufacturers and vendors of foods and various other interests. The author claims a two-fold purpose in writing his volume: First, to enlighten dentists as to the need for intelligent co-operation with industry in dental cases, and second, to awaken the food producers and insurance companies to the need for combating the increase of this type of fraud.

No Action on Stevens Plan

NEW YORK—The National Bureau of Casualty & Surety Underwriters has issued a statement that neither the National Bureau nor any of its committees is recommending use of the Stevens plan of premium financing. The statement was issued as a result of published statements that the bureau had endorsed the arrangement.

"Service Contract" Order Held Up

ST. LOUIS—Circuit Judge Sartorius has held up a decree enjoining the Automobile Owners Protective Association from practicing law without authority through the sale of service contracts to motorists, until the attorneys for the association can conduct an examination into evidence presented by the bar association's committee on unauthorized law practice.

At a hearing before Judge Sartorius three witnesses testified that they had purchased contracts in which the defendant agreed to "take care" of them in event of traffic arrests or damage claims growing out of traffic accidents.

Adjustment Service Opened

R. J. Cain and S. E. Farley have opened the Cain-Farley Adjustment Service in Milwaukee, servicing casualty claims in Wisconsin. Mr. Cain was formerly with the Aetna Casualty and affiliated companies for nine years, and Ohio Casualty for four. Mr. Farley was secretary and casualty department manager of Auer, Inc., being claims attorney for United States Casualty and Phoenix Indemnity. He was also district claim manager for northern Wisconsin for the Ohio Casualty the past three years.

J. F. Kane, resident vice-president in Philadelphia for American Mutual Liability, who had been connected with the company since 1896, died at his home in Philadelphia at the age of 62. The Philadelphia district comprises eight office territories in six states.

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POINTERS FOR LOCAL AGENTS

Fidelity Sales Possibilities Stressed at Detroit Meet

DETROIT.—Three hundred agents, field men and assured attended the opening meeting of Michigan's fidelity bond promotion campaign sponsored by the Surety Association of Michigan. Spencer Welton, vice-president Massachusetts Bonding, presided and four outstanding speakers discussed all phases of the sale and underwriting of fidelity coverage.

Charles F. Meyler, general counsel for the Commonwealth Bank, spoke on "Fidelity Bonds from the Purchaser's Viewpoint." "Fidelity coverage is common among business men today, but is not nearly as commonly used as it should be," Mr. Meyler declared. "Twenty-five years ago bankers' blanket bonds were very hard to negotiate. We were obliged to haggle over many of the provisions that are standard in such forms today, things that are now conceded as a matter of course."

Cover Every Need

"Today the companies have incorporated everything the bankers want and need in such coverage and have incorporated in all types of fidelity bonds those factors that are needed by all types of business men to protect themselves best. As these forms now stand, it is amazing that every business man in the country does not carry fidelity coverage."

"Too many business men fail to realize that an employee does not have to handle money in order to embezzle from him. Every shipping clerk, every truck driver employed by a factory, for example, is a potential fidelity hazard. This even extends to purchasing agents. Many policyholders do not have anywhere near adequate fidelity coverage. If an employee handles \$600 a week, a \$1,000 bond is not enough to cover the hazard. He may get away with many thousands of dollars over a long period of time before he is caught."

Can Help in Bookkeeping

"Fidelity company men, who have the advantage of five or six decades of cumulative experience with embezzlements to guide them, can show business men a great deal about how to avoid fidelity losses by changes in their bookkeeping systems and the like, and can point out the places where such losses are most likely to occur. There is a decided tendency, too, for fidelity losses to drop when the employees know they are bonded and that the surety company is watching operations."

"By no means all of the losses occur with employees. Often we find trusted executives and directors of companies involved. Holdups are popularly supposed to be the greatest hazard to guard against in banking, but we know that from 65 percent to 70 percent of all banking losses due to dishonesty of any description are inside jobs. Holdups are such a minor hazard in a large city such as Detroit that we discount them almost entirely."

"The reasons for embezzling of funds are as varied as the individuals who embezzle. There is no yardstick to measure these reasons and there is only one way the business man can be sure that he is protected adequately against this hazard—fidelity insurance."

E. N. Moseman, general counsel Standard Accident, speaking on "The Need of Higher Limits in Fidelity Bonds," declared that too many agents

try to sell fidelity coverage when they do not believe in it sufficiently to protect their own offices adequately with this insurance, citing an instance where there were three agents in a certain city and two of them had embezzlement losses in their own offices.

High Limits Necessary

"No one knows the amount of fidelity coverage he should carry until after he has a loss," said the speaker. "High limits are often necessary to cover even petty thefts that continue over a long period—and most embezzlements do continue for a long time before the embezzler is caught. It is difficult to sell a client the amount of coverage adequate to cover any contingency because of the premium cost. I have tried to find a formula of some sort that could be used by agents in estimating the amount of fidelity insurance necessary for adequate coverage, but gave it up as hopeless."

Fundamentals to Consider

"There are, however, certain fundamentals that should be taken into consideration in arriving at an amount to suggest to the prospect. First, the number of employees should be ascertained. Obviously, the hazard increases in direct ratio to the number of persons employed. It is not advisable to limit this inquiry to those persons handling money or securities; there are plenty of others who can get away with materials, supplies and merchandise in most businesses who should also be covered."

"The second point to consider is the number of employees who do not have access to money or securities. Obviously the temptation to steal is greater where money or securities are handled than where merchandise only is handled. It is not necessary that the employee handle large sums. The third thing to consider is those employees who have access to the credit of their employers for concealing embezzlements. This is of major importance."

"Fourth, the number and thoroughness of audits is important, and whether the audits are made by employees, by independent auditors with the help of employees, or by independent auditors alone. The latter far reduces the hazard over

the other two methods. Where any employees of the company are involved in audits, opportunities exist for covering up embezzlements. The fifth, and by no means the least important point, is to study the capital and surplus structure of the company to be covered. Often the consequences of a theft are much more vital than the amount of money stolen; a \$20,000 theft from a company with small capital and surplus might put the company into insolvency. The smaller the capital and surplus, the greater the hazard of serious consequences."

Age Not a Factor

"Then there are certain factors which are often emphasized by prospects which are of little or no actual importance. The age of employees, for instance, means nothing at all. Embezzlement knows no race, color nor age distinctions, nor does the length of employment have any bearing whatsoever on the situation. A man of 60 who has been with the firm for 40 years is just as likely to embezzle as a man of 20 who is just starting. Fidelity records bear this out. Another interesting point is that embezzlers seldom take vacations; they don't dare to go away for fear their thefts will be discovered during their absence."

AGENT GIVES VIEWS

In "The Sale of Fidelity Bonds from the Agent's Standpoint," L. C. Jones, general agent in Youngstown, O., who has placed \$75,000 a year in fidelity premiums on his company's books for a number of years, urged his listeners to ask themselves these questions about a fidelity prospect: Do you believe that the prospect has a real need for this coverage? Are you sufficiently acquainted with the subject to discuss it intelligently with him? Do you know just what it will do for your client?

Who Are Embezzlers?

Who are the embezzlers? Usually highly respected and trusted employees who hold a high place in their community life, own their own homes and are members of churches. The idea that the typical embezzler has the earmarks of crookedness is entirely wrong. No employee, no matter how trusted by his employer, is beyond the pale of fidelity insurance. There is no gadget that will sound an alarm when a trusted employee is about to dip his hands into his employer's till.

"Fidelity losses hit the churches, the

lodges, even the surety companies themselves. No concern is exempt from the possibility. The degree of success attained by agents in selling fidelity coverage is in direct ratio to their knowledge of the business. A working knowledge of fidelity insurance is not hard to acquire. I do believe, however, that the companies should simplify the fidelity section of the manual. It looks pretty formidable to the agents who are not well acquainted with it. It is apt to scare them away from the line as it is now set up."

"There are three types of prospects: One's own agency clients, firms that the agent feels should carry fidelity but do not now have it, and those firms whom competitors have already sold. The first class is by far the best. No assured's business has been properly protected by us no matter what lines he may carry unless he has fidelity as well. If we don't bring it up some other agent may, may get the business and the rest of his line as well. Non-client prospects are well worth going after, but leave the other agent's business alone. If you do succeed in getting it away from him, it is likely to be because it is not profitable to the other company or is 'floating' business that will not stay long on your books either."

Get Necessary Information

"First, get the necessary information from your prospect, and then make him a proposal based on this information. Don't try to go in cold and try to sell him on the first interview. That procedure is neither fair to your prospect nor to yourself. After you make the proposal, see him again and explain exactly what it covers and how much it will cost. Make your proposition so attractive that he cannot turn it down. Remember that there is just one logical excuse for not buying: If he asks you if you carry fidelity insurance on your own employees and you have to say 'No.'"

Don't Argue with Prospect

"Don't ever argue with the prospect. That will do nothing but alienate him from you. Don't make positive statements about it unless you know absolutely that you are right. The possibility of overselling him is very remote; most companies carry far too little fidelity. The greatest possibility lies in underselling him. Keep your eye always on the needs of the prospect and never on your commission. That will take care of itself. Expose yourself to business and you will get your share of it. Learn from your mistakes; perhaps the loss of a \$10 premium today may save you the loss of a \$1,000 premium tomorrow."

LUNT GIVES TALK

The concluding speaker was E. C. Lunt, veteran vice-president of the Great American, whose topic was "Fidelity Bonds." "The fidelity loss in this country each year has been estimated at about \$400,000,000 by authoritative sources, he asserted, and of this amount but 5 percent is compensated for by the fidelity companies, indicating that the field is wide open to alert agents to go out and increase their earnings a great deal by selling this line."

"Today the blanket form is rapidly assuming more importance and offers many advantages not enjoyed by the other type. Every employee is covered although none is named in the bond, and the employee turnover may be great or small without affecting the bond. The blanket form is much easier for the agent to handle and offers less sales resistance."

(CONTINUED ON PAGE 42)

New Prorator Aid to Agent

A new "Practical Prorator" for real estate and insurance offices has been devised by E. Sawyer Smith, Winnetka, Ill., real estate man and insurance broker. The new device provides for quick and accurate figuring of cancellations, interest, taxes, etc. For the real estate broker it is the first known set of pro rata tables to provide a quick, accurate and reliable method of determining the usual prorations of insurance premiums, tax bills, interest charges, etc., incidental to closing of any real estate deal.

Mr. Smith has been active in the real estate field for 25 years, so that the device is the result of his practical knowledge in the problems which the insurance and real estate men face.

The "Practical Prorator" shows at a glance the actual answers in dollars and cents to any proration problem and is not a set of tables based on percentages. The results to problems involving figures of even dollars can be determined

by actual number of days or by years, months and days, from a single column on the page on which the correct total charge is shown. So far as is known, the "Practical Prorator" is the only set of tables by which pro rata charges can be determined both by years, months and days, or by the actual number of days for which the charge is to be figured, that is, by twelfths of a year, 30ths of a month or by 365ths of a year, all from the same column.

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The "Practical Prorator" can be secured from The National Underwriter, 175 West Jackson, Chicago, at \$2.50 each.

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FIRE INSURANCE NEWS BY STATES

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Indiana Membership Drive

Meetings Held by Association Officials in All Parts of State — Several New Boards Formed

Since early in February a statewide campaign has been under way to build up membership for the Indiana Association of Insurance Agents. Ross Coffin of Indianapolis, president; R. A. Hendrickson, assistant to Mr. Coffin; J. W. Stickney, secretary of the association, and J. G. Wood, secretary-counsel of the Insurance Federation of Indiana, have been visiting points throughout the state and holding meetings. The results have been excellent, with a considerable addition of members and the organization of a number of local boards.

The first meeting was held at Richmond, where Don R. Bell is vice-president of the sixth district. Mr. Coffin and Mr. Wood attended this meeting and a new local board was organized at New Castle with 13 members. Mr. Stickney and Mr. Hendrickson helped to perfect the organization of the new board. At Evansville, where Ralph McReynolds was chairman, a meeting was held by Mr. Coffin and Mr. Hendrickson and many new members were enrolled.

South Bend-Mishawaka Meet

A well attended joint meeting of the South Bend and Mishawaka boards was held, at which M. C. Mogle, president of the Mishawaka board, presided. Addresses were made by Mr. Coffin, Mr. Stickney and Mr. Hendrickson, and a little later Mr. Hendrickson addressed a well attended meeting at Kokomo.

At East Chicago Mr. Stickney and Mr. Hendrickson helped to form a co-extensive board, of which M. R. Dupe is secretary. On March 4 members of the state association from every county in the 11th district were present at a meeting conducted by Mr. Coffin, Mr. Hendrickson and Mr. Wood. J. R. Clark is vice-president of the district. A meeting was held March 9 at Logansport, and one is scheduled for March 10 at Crawfordsville, fourth district. H. W. Bradshaw is vice-president.

March 16, a local board meeting will be held at Gary to which all agents in the district are invited. Don F. Van Liew, president local board and vice-president of the district, is in charge of arrangements.

On March 17 a district 2 meeting will be held at South Bend. March 18, district 7 will meet, with Vice-president J. R. Hunter in charge. March 21, a meeting is planned for Bloomington. This is district 9, of which G. D. Woodward is vice-president. March 25, a meeting of district 3 will be held at Fort Wayne, for which W. H. Lupke is making arrangements.

Many District Meetings Being Held in Ohio

The Ohio Association of Insurance Agents held a meeting for the third district at Hamilton in connection with a meeting of the Hamilton Association of Insurance Agents. George A. Snider, First Bancredit, spoke on "A New Sales Tool" and Arthur McConnell of the Eureka-Security Insurance Agency on "Casualty Insurance Must Be Sold." "New Sales Opportunity in Farm Loans" was discussed by F. E. Kirkpatrick, Columbus, member of the Ohio association's rural and farm agents committee. At a dinner meeting John A. Lloyd, secretary of the Ohio association,

spoke. Thomas Safford is the third district trustee.

The ninth district will hold a meeting at Girard March 15. Isaac Griffith of Girard will be chairman and speakers will include Secretary Lloyd, L. Calvin Jones of Youngstown, who will discuss the bond situation, and C. D. McVay of the Ohio Farmers.

A committee composed of D. T. Dillon, William Hazlebeck and Howard Berndt is arranging for a meeting of the second district in Portsmouth March 18. Extensive arrangements are also being made for an observance of Insurance Day at Canton, O., March 24.

Continue Interest of E. G. Marsh

William Rodger Marsh is taking the place of his brother, Edward G. Marsh, Jr., in the Marsh & McLennan-Case Thomas & Marsh agency of St. Louis. W. R. Marsh will personally manage his brother's business. Edward G. Marsh, Jr., is giving a portion of his interest in the firm to his brother and to his partner, Melvin A. Thomas, to his chief clerk, Otto F. Weber, and to his secretary, Mrs. Martha T. Schmidt. The gift to Mr. Thomas, Mr. Marsh explains, is because of his long association as a partner, and "as an expression of gratitude for the fine influence that he had had on me as a young man." The gifts to the others, he states, are an expression of gratitude "for the long, faithful and efficient service that they have given to me in the insurance business, for I feel that a large portion of whatever success I have had in the business has been due to these faithful and trusted employees."

Case, Thomas & Marsh will continue to operate independently, as they have always operated, insofar as their business is concerned. The office connection and corporate name will be maintained with Marsh & McLennan, but the two interests are entirely separate, E. G. Marsh, Jr., points out.

Will Discuss Brokerage Situation

L. U. Jeffries, warden of the Ohio department, will speak at the meeting of the Mutual Insurance Club in Columbus March 14. He will discuss the brokerage situation.

Plan Sheboygan B. D. Meet

A Business Development meeting will be held at Sheboygan, Wis., April 6, under the auspices of the Wisconsin Fire Underwriters Association. The committee in charge is headed by W. H. Berry, Continental, and H. C. Busack, Norwich Union, as co-chairmen. The district comprises Sheboygan, Manitowoc, Calumet, Ozaukee and Washington counties. Cooperating with the field men are the local boards at Sheboygan and Manitowoc, and the Wisconsin Association of Insurance Agents. Charles Hejda of Manitowoc and August Lutze of Sheboygan are handling local details.

Cedar Rapids Is Third Class

Cedar Rapids has been classified as a third class city by the National Board and is now on a par with Davenport, Dubuque and Waterloo. Des Moines and Sioux City are in class four. This will mean an ultimate reduction of \$75,000 to \$100,000 in Cedar Rapids' fire insurance rates.

Committee of Past Presidents

CINCINNATI—In connection with the celebration planned by the Cincinnati Fire Underwriters Association April 18 in observance of its 100th anniversary, President G. B. Wilson has appointed a committee of past presidents to act as the reception committee. They

are, J. Gano Wright, 1897; C. C. Rothier, 1906-1907; Carl Kleve, 1921; Joseph T. Dillhoff, 1923; Harry M. Alexander, 1924; Nelson J. Edwards, 1925; Earl W. Wagner, 1927; W. S. Hukill, 1922 and 1928; William A. Earls, 1929-1931; Clifford Clemons, 1933; Theodore Safford, 1934-1937. Douglas Malloch, Chicago, columnist and humorist, will be a speaker.

LaPorte Agency Celebrates

The Seymour agency at LaPorte, Ind., on March 1 celebrated its 80th anniversary. On March 1, 1858, the late George S. Seymour wrote the first policy in LaPorte for the Home of New York, which was then five years old. It has been with the agency ever since. The office is now known as the Seymour & Stroud agency and in addition to the Home has represented the North America and Pennsylvania Fire for 56 years, the Fidelity & Casualty for 44 years and the London & Lancashire for 50 years.

Dwelling Fires in Minneapolis

There have been a number of dwelling house fires in Minneapolis and National Fire Protection Association engineers visited the city urging a dwelling inspection campaign and municipal rubbish collection. Sparks on wooden shingle roofs continue to be the principal cause of building fires. There were 449 such last year. The annual average number of wooden shingle roof fires for the last 10 years is 603.

Discusses Bus Cover

ROCK ISLAND, ILL.—The insurance requirements of the Interstate Commerce Commission for motor bus lines were discussed by W. A. McEvoy, district supervisor for the commission, before the Rock Island Fire & Casualty Insurance Board. He announced that provisions will go in effect on July 1, prohibiting drivers from being on duty more than 15 consecutive hours and that they must not be engaged in actual work more than 12 hours or more than 60 hours in seven days. After July 1 every driver must keep a daily log and the employer must send his records to Washington.

At the March 10 meeting Wallace Rodgers, assistant manager of the Western Underwriters Association, will discuss organized sales campaign. At the April meeting Henry Olson, vice-president of the First Bancredit, Chicago, will discuss "The Financing of Insurance Premiums." At the May 26 meeting, which will be held jointly with the chamber of commerce, the motion picture, "Approved by the Underwriters," will be shown.

Drive for Illinois Members

The Illinois Association of Insurance Agents will start a state-wide membership drive March 14 to continue for a month. Dudley F. Giberson, chairman membership committee, is working in close cooperation in the drive with James J. Beattie, chairman local boards committee. A call was sent to all members to assist by President W. H. Jennings, Jr., Rockford.

Handle Iowa Losses

R. T. Gustafson Company, Omaha adjusters, handle adjustments in Iowa in addition to their home state.

Decries Interference

BATTLE CREEK, MICH.—Insurance agents should join other "retailers" in campaigning against governmental interference with business, James M. Wilson, prominent Kalamazoo agent, told a meeting of the Battle Creek Exchange Club. The present political trend, Mr. Wilson contended, "will just about legislate us out of business. There is no substitute for the business corporation."

I believe in the old American way of free and competitive business and I think that the history of insurance proves that the business corporation is the safest and best method of protection, not only for the individual but for America."

McQueen Is Safety Chairman

W. C. Thornton, Fond du Lac, president of the Wisconsin Association of Insurance Agents, has appointed Thomas McQueen, Racine, as chairman of the accident prevention committee.

In a report to the executive committee, Ralph Martin, Milwaukee, vice-president and chairman of the membership committee, commented on the satisfactory progress in the drive to enlist new members.

St. Paul Home Fires Reduced

The National Fire Protection Association reports that residence fires have been reduced in St. Paul about 40 percent in the three-year period. A weekly program of fire prevention instruction has been instituted in all its grade schools.

Loss Record at Lincoln, Neb.

The National Fire Protection Association, in calling attention to the favorable fire record of Lincoln, Neb., with a 50 cent per capita loss, says that the principal needs pointed out by its engineers are a modern fire alarm telegraph system, a fire prevention code and an ordinance prohibiting wooden shingle roofs.

Milwaukee's Fine Record

Milwaukee enjoyed its lowest fire loss record in 40 years in 1937, the per capita loss being 79 cents. The number of alarms was greatly reduced. The fire prevention bureau and the city building department cooperatively have secured the demolition of 5,321 hazardous buildings during the last 10 years.

New Cavanaugh Co. Facilities

The Cavanaugh Company agency of Omaha has been given the general agency of the Commerce for Nebraska and Kansas for all lines, including hail, and the Glens Falls for hail only. The fire business of the Glens Falls remains under the jurisdiction of Kansas State Agent W. E. Ellis and Nebraska State Agent Gordon Beals. A previous article gave the impression that the Cavanaugh Company had the general agency of the Glens Falls for all lines.

Minneapolis Women Elect

MINNEAPOLIS—Miss Alice Cardinal has been reelected president of the Minneapolis Insurance Women's Association and Millicent Will reelected vice-president. Marcella Beise is the new secretary and Owna Solberg was reelected treasurer. Clyde B. Helm, secretary Insurance Federation of Minnesota, spoke at the dinner.

Success in Wisconsin

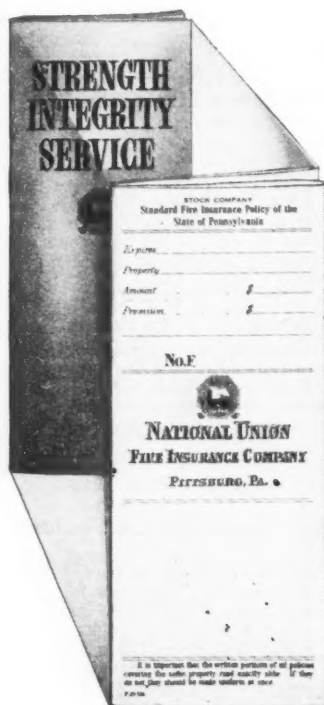
Arson investigators have been having some success in Wisconsin lately. A woman was convicted in Racine the other day of having set fire to a dwelling last November.

J. F. Oatman, salesman for the Hines Lumber Company of Chicago, committed suicide last Friday, thus putting an end to an arson case in Omro, Wis.

Oatman had been on trial for about a week in Oshkosh, Wis., on a charge of having caused his property in Omro to be burned. There was insurance of \$22,000 on the property, which had not been paid. Oatman had been denying liability right along, but after a court recess he came in and announced that he desired to plead guilty. The judge



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sent him to Northwestern University in Evanston, Ill., for the lie detector test and that evening Oatman took a fatal dose of poison at his father's home in Omro. It is reported that while he was undergoing the lie detector test, he confessed having caused a fire in Omro in 1932 for which he collected about \$14,000 from insurers.

Floyd Locke, who was caretaker of Oatman's property and who is serving a sentence in connection with the plot, in the trial accused Oatman of hiring him to do the job.

Oatman was in Dayton, O., when the fire occurred. Part of the insurance had been placed with the Monarch Fire through a Dayton agent. The balance was placed through the Omro Wisconsin Agency. W. P. Bussy, head of that agency, represented Oatman in the trial.

Possibly efforts may be made by the insurers to recover the amount that was paid for the 1932 loss.

Pontiac Agents Meet

PONTIAC, MICH.—Martin Mullally of Muskegon, president of the Michigan Association of Insurance Agents, and the association's new field secretary,

Waldo O. Hildebrand, also of Muskegon, addressed an agents' meeting here arranged by H. M. Thatcher, president of the local board. Approximately 60 agents were in attendance, a number of them being from nearby towns and cities.

The Pontiac safety committee's work was endorsed and aid was promised in a forthcoming campaign. Mr. Hildebrand urged the importance of accident prevention activities.

Mr. Mullally discussed the safe driver reward plan and other timely matters. The association's major aim is maximum service to the insurance-buying public, he said.

Midwestern Notes

Knuth Holland, 66, since 1910 a local agent in Racine, Wis., died there after a long illness.

E. J. Eckert and E. J. Eckert, Jr., have taken over the Eckert, Bibbens & Co. agency in Detroit, formerly conducted by E. J. Eckert, Sr., and A. W. Bibbens.

J. F. Ward, local agent at Mansfield, O., who has been in a hospital in Cleveland for three months, has been removed to his home and is now believed to be recovering. During his illness, Mrs. Ward has taken care of the agency.

IN THE SOUTHERN STATES

Virginia Has New License Law

Governor Signs Measure Sponsored by Agents' Association—Bar Countersigning by Special Agents

RICHMOND, VA.—The agents' license measure sponsored by the Virginia Association of Insurance Agents is now a law, having been signed by Governor Price. Virginia agents regard it as the most important piece of legislation they have gotten through in a number of years. Only a few minor amendments were added in its passage through the legislature. One of the outstanding features is a provision barring special agents from countersigning policies. Another section provides for a 50-50 division of commissions on business brokered out of the state. Agencies, under provisions of the bill, must be licensed as well as agents and solicitors. Mutuals, reciprocals and inter-insurers are specifically exempted from its provisions, being taken care of under another section of the code. This was the only legislation of importance sponsored by the association during the session which is scheduled to end March 12. Practically no legislation hostile to the agents

bobbed up during the session. As a consequence they centered virtually their entire time on this bill.

Map Arkansas Legislation

LITTLE ROCK—At the special session of the Arkansas legislature, which is scheduled to get under way by March 14, tentative plans call for submission of a bill to require foreign insurers to invest more of their funds in Arkansas bonds.

Barnett Named Special

H. C. Barnett of the Alabama inspection and rating bureau, Montgomery, has been appointed special agent in Alabama for Godchaux & Mayer, general agents of New Orleans.

Hail Conference in Texas

DALLAS — A three-day school for hail adjusters in Texas was conducted here under the auspices of hail writing companies. This was the first meeting of its kind ever held in this territory. It was similar to the schools that have been conducted for many years in various sections of the middle west and northwest. On hand from Chicago were Jacob Nelson, head of the hail department of America Fore, and S. K. Bjorn-

son, assistant manager Rain & Hail Bureau. On his way back to Chicago, Mr. Bjornson conducted conferences for adjusters of the Rain & Hail Bureau in Oklahoma City, Topeka and Kansas City.

Saint Establishes Office

NASHVILLE, TENN. — John D. Saint, the new manager of the Tennessee Association of Insurance Agents, who has now taken his position in this state, has opened an office in the Vendome building here.

On C. of C. Committee

LITTLE ROCK—A number of Little Rock insurance men have been named on the membership committee of the chamber of commerce including Paul Atkinson, William Rector, John Hampton, Sam Raines, Sterling Cockrill, Ike Beyer, W. H. Stredelman, R. C. Stark and B. A. Weise.

Fined for Unlicensed Sales

RUSSELLVILLE, ARK.—Francis Ahern of Gainesville, Tex., was fined \$500 on each of two charges of selling insurance without a license. He pleaded guilty. Commissioner Harrison attended the hearing.

B. D. Rally at Lawton, Okla.

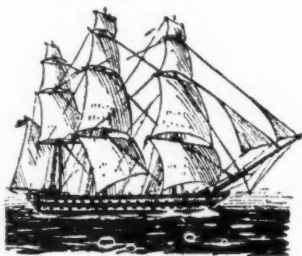
A Business Development zone meeting was held at Lawton, Okla., with Z. M. Lang as chairman. John A. Bosdett, general chairman, spoke on "Selling Fundamentals"; John M. Jones on "Futility of Price Appeal"; R. W. Crow on "How Vulnerable Are We?" and W. H. Crawford on "Organizing Sales Campaigns." The farm program was handled by Carl G. Lund. About 67 field men and local agents attended.

Oklahoma City Losses Cut

Fire loss in Oklahoma City in 1937, as compared with 1936, was reduced more than 7 percent, Will S. Eberle, chairman of the Oklahoma City chamber of commerce fire prevention committee reports. The 1936 loss was \$133,720 and \$124,201 in 1937.

Studying Inland Marine

J. C. Kinnett, agency superintendent for B. P. Carter, manager at Richmond, Va., for a group of fire companies in Virginia and North Carolina; George G. Jefferson, Virginia state agent, and Harry T. Hall, North Carolina state agent, went to New York this week to make a study of inland marine insurance in the offices of the Eagle Star and London Assurance, two of the com-



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1938

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S. D. McCOMB & COMPANY, INCORPORATED

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UNITED STATES MARINE MANAGERS

panies represented by the Carter agency. They participated in the roundup of the Eagle Star field forces the first two days of the week and spent the remainder of the week in the offices of the London Assurance.

New Arkansas Farm Mutual

The Arkansas State Fire, of Rison, Ark., a mutual has been licensed by the Arkansas department. G. H. Holmes, attorney, is president; M. L. Wilson, vice-president and R. T. Buie, secretary-treasurer. It will cover only farm buildings, livestock and farming implements and property owned by farmers.

Conference at Corpus Christi

Recently an important joint conference was arranged between field men and local agents at Corpus Christi, Tex., to discuss a number of phases of business that are engrossing the attention of the fraternity.

Alabama Agents Pick Mobile

The annual convention of the Alabama Association of Insurance Agents will be held in Mobile, May 19-20, Ed H. Moore of Birmingham, secretary, announces. The Battle House has tentatively been selected as headquarters. Speakers are now being selected. Mobile agents are arranging an entertainment program which likely will include a boat ride on Mobile bay.

Camden with Lincoln Bank

LOUISVILLE—After withdrawing from the Reisert Insurance Agency here, the Camden Fire has planted in the insurance department of the Lincoln Bank & Trust Co., which is in charge of Shirley Lawrence, son of E. T. Lawrence, state agent for the Camden in Kentucky.

Mississippi Insurance Course

Insurance interests in Mississippi are cooperating in the conduct of an insurance course at the University of Mississippi this year which is in general charge

of Prof. D. M. Potter. Insurance people have been undertaking to furnish speakers for the class. Among those who have addressed the group or are scheduled to do so are a number in the business that are located in Jackson. They include A. W. McBryde, manager Fire Companies Adjustment Bureau; W. W. Sampson, manager Mississippi state rating bureau; R. H. Tucker, assistant manager Mississippi rating bureau; J. L. White, special agent Hartford Fire; H. T. Holland, special agent for H. W. Gates general agency which handles the American group, and Edward Yerger, Jr., state agent for the Home.

Weigh Contingent Request

NEW YORK—While the proposal of the Southern Agents Conference that agents in S. E. U. A. territory be allowed a 15 percent contingent in addition to the flat base commission of 20 percent now paid, is primarily a matter for the governing organization, executives of member companies are naturally interested, and will follow developments closely. The executive committee of the S. E. U. A. will meet in Atlanta, probably about March 17, and the request will be discussed. If the executive committee feels the subject is one on which the association as a whole should act, it will be presented at the annual meeting at Hot Springs, Va., in June. Prior to 1925, when the present flat 20 percent was adopted in the S. E. U. A. field, graded commissions of 15, 20 and 25 percent prevailed for a number of years. That scale, in turn, had replaced the flat 15 percent which was formerly paid.

Buchanan Heads Miami Board

W. B. Buchanan of Miami, Fla., was elected president of the Greater Miami Insurance Board at the annual meeting. R. C. Houser of Miami is first vice-president; F. B. Adae, Miami Beach, second vice-president; J. L. Mixson, Miami, secretary.

Briggs Branning, the retiring president, and Secretary Mixson gave their reports.

PACIFIC COAST AND MOUNTAIN

Colorado Association to Act on "Illegal Licenses"

DENVER—The Colorado Association of Insurance Agents has adopted a resolution seeking to control indiscriminate licensing of agents and asking for revocation of licenses issued in violation of the insurance code. A circular letter was mailed to all fire companies, announcing the association's intention "to take such measures as the law allows to compel the revocation of such agents' licenses as may be renewed or issued."

Twelve necessary points, and supplementary qualifications, were given in the body of the letter, with further explanations of what constitutes an illegally held license. The announcement read:

"Every person contemplating obtaining or renewing an agent's license, and every company which is a party to such issuance or renewal of a license, will please take notice that if upon investigation these requirements of law shall appear in any case not to be fulfilled, we shall immediately take such appropriate action against such person and company as may be provided by law."

North America Opens New Pacific Coast Headquarters

SAN FRANCISCO—Nearly 1,000 attended the open house ceremonies of the handsome new Pacific Coast headquarters building of the North America here. Four stories and basement, the building is an attractive addition to San Francisco's insurance and financial district.

In addition to its beauty of design and appointments it also boasts practically all of the newer ideas for the facility, comfort and efficiency of a large business. It is one of the first buildings erected in San Francisco with complete air conditioning system throughout as well as the latest improvements in soundproofing. Its furnishings are also unusual, the main floor desks and chairs resembling a library for comfort more than a "work-shop," but General Manager H. J. McCauley demonstrated the efficiency of these new seating facilities, particularly as to their ability to rest the body of the employee compelled to remain in the chair the best part of the day. Another outstanding feature is the lighting system, which spreads adequate soft-light throughout without making the occupants conscious of system.

Vice-presidents Sheldon Catlin, T. L. Smith and Benjamin Rush, Jr., attended the housewarming as joint hosts with General Manager McCauley, H. W. Forsyth, indemnity manager, and their staffs.

Hitt Made Good Record

James C. Hitt of Portland, Ore., special agent London Assurance, who becomes agency superintendent at the coast department in San Francisco, being associated with Manager J. M. Mendell, is one of the youngest men to have become a most loyal gander of the Blue Goose, he having headed the Oregon pond. He started with the London Assurance in the coast office as bookkeeper when he was 17 years of age. When he was 21 he was sent to Portland as Oregon special agent. During the next few weeks a successor will be appointed for

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him in the Oregon field and at that time Mr. Hitt will go to San Francisco.

Tacoma Girls Club Elects

TACOMA, WASH.—Miss Alice Olson has been elected president of the Insurance Girls Club of Tacoma; Miss Harriet Ross, Fire Companies Adjustment Bureau, vice-president; Miss Lois Frantz, Aetna Life, secretary, and Miss Mary Lisac, Geo. D. Poe & Co., treasurer.

Portland Women's Free Classes

PORTLAND, ORE.—The Insurance Women's Association of Portland has inaugurated a series of free classes on insurance. B. K. Campbell, manager Portland and Seattle offices of the National Bureau of Casualty & Surety Underwriters is in charge of studies dealing with casualty lines.

Portland Exchange Elects

PORTLAND, ORE.—At the annual meeting of the Insurance Exchange of Portland, John O. Baker was elected president; J. Stuart Leavy, vice-president; Stanley Boquist, secretary, and B. W. Richard, treasurer. Commissioner Earle and J. N. McCune of the Oregon Insurance Rating Bureau were special guests.

New Oregon Mutual Directors

J. G. Compton of McMinville and Boyce Fenton of Portland have been elected directors of the Oregon Mutual Fire.

Celebrate 50th Anniversary

Thieme, Morris, Hansen & Rowland of Seattle this month celebrate their 50th year in business. George R. Thieme is one of the best-known agents in the state, being a past president of the Insurance Agents League of Washington.

Bellingham Agents Elect

BELLINGHAM, WASH.—H. Eldridge Carr of Sabine L. Carr, Inc., has been elected president of the Bellingham

Insurance Agents Association, succeeding H. G. Arnason. Other officers elected are: Oscar Myhre, vice-president; F. N. Bellinger of Ireland & Bellinger, secretary-treasurer. On the executive committee are Mr. Myhre, B. J. Miller, Kenneth Ireland, H. G. Arnason and C. J. Sorenson.

Butte Agencies Are Sold

Announcement is made of the sale of the Wolcott & Co. agency and the Smith & Dodson agency, both of Butte, Mont., to Ben Hardin and Pat Gagner of that city. The Smith & Dodson agency is the former Miller Agency, which was successful in controlling the insurance on all state property in Montana.

Withdraws from Missoula Office

The Millers National, which has been in the Missoula, Mont., office of the Moon agency, doing considerable business in western Montana, is withdrawing from the office and is said to be cancelling all business.

Honored for 30 Years Service

Charles E. Canfield, Santa Cruz, Cal., was tendered a testimonial dinner there on the occasion of his 30th anniversary as a representative of the Continental. He received an engraved electric clock as the gift of President B. M. Culver.

Adopt Surplus Line Rules

LOS ANGELES — The California Surplus Line Association at a meeting here considered the new constitution and by-laws proposed at a recent meeting, and tentatively adopted them.

The main point at issue was the correlation of the association rules with the recently announced new rules on surplus lines promulgated by Commissioner Carpenter.

The association adopted the promulgated rules, writing them into the by-laws, and at the same time added some additional rules that the membership felt would place further safeguards around the surplus line business.

EASTERN STATES ACTIVITIES

Studying Rural Conditions

New Hampshire Agents Committee Is Delving into the Problems and Needs of Country Representatives

Everett W. Webster of Peterborough, N. H., who is chairman of the rural agents committee of the New Hampshire Association of Insurance Agents, states that his committee is now attempting to have rural agents in the state present their individual problems so that a more complete picture can be gotten. The most troublesome situation involves the Farm Bureau and the Grange from a competitive standpoint. It is hoped to enlist more of the rural people in the state body so that they can have a forum in which to discuss their problems and also they will have the backing of the organization. Practically all the stock companies look with disfavor on farm business in the state and yet most of them will accept lines from agencies producing a good volume of protected risks. The New Hampshire Fire and the Granite State Fire are fairly liberal farm writers. The Farm Bureau and Grange are strong competitors, both in fire and casualty insurance.

Lawrence, Mass., Board Elects

LAWRENCE, MASS.—The Lawrence Board of Fire & Casualty Underwriters reelected the following officers: President, J. P. Donovan; vice-president, T. F. Redmond; treasurer, T. M. Howard; secretary, L. J. Devaney.

The board went on record as favoring the adjustment of all fire losses on city

property by the Lawrence office of the Fire Companies Adjustment Bureau.

Committees were appointed to consider the allotment of city fire insurance and to study the safe driver reward plan of automobile liability rating and other merit rating plans.

The board went on record as protesting the enactment of the proposed Anglo-American reciprocal tariff agreement as harmful to the interests of Lawrence as a textile community. President Donovan was elected to represent the board at the next convention of the National Association of Insurance Agents.

Henry A. Field Honored

SPRINGFIELD, MASS.—Henry A. Field's 30 years representation of the Springfield Fire & Marine here was celebrated with a testimonial dinner given by company officials and the agency force of Field, Eddy & Bulkley. President George G. Bulkley spoke and presented the agency a painting of the "Covered Wagon."

W. F. Smith Official Dies

George F. Byrne, vice-president of the Walter F. Smith & Co. agency of Trenton, N. J., died of a heart attack at the age of 50. He had been in Trenton 26 years. Before going into the agency business, he had been in charge of the Trenton district of the Schedule Rating Office of New Jersey.

Cronin for Rate Regulation

BOSTON—J. W. Cronin, general counsel Liberty Mutual and United Fire, appeared before the insurance committee of the legislature in support of his an-

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nual bill for supervision and regulation of fire insurance rates and all rating organizations by the insurance commissioner. He said such a law is in effect in two-thirds of the states and that Massachusetts would eventually have to come to it.

Secretary Ralph Sweetland of the New England Insurance Exchange and John W. Downs and Claude L. Allen, counsel for the stock companies, were given permission to present arguments in opposition later.

Baltimore Arson Squad

BALTIMORE—The city council has enacted an ordinance creating a municipal fire incendiary bureau composed of members of the fire department. It is headed by Battalion Chief Heagerty. He may enter any building where a fire has occurred to make such examinations as he may deem proper, subpoena witnesses and have them examined under oath.

Find Pittsburgh More Stable

The National Fire Protection Association reports that the present Pitts-

burgh city government appears to be more stable politically than the previous administrations. The fire department is redistricting the city for inspection purposes and a training program is being studied. An ordinance regulating hat cleaning and other small dry cleaning operations is proposed by the bureau of building inspection.

Insurance Men on Council

Insurance men are largely represented in the new board of control of the Baltimore Safety Council. They include Preston D. Callum, Henry M. Ward-Roloson Company; Frank A. Gantert, president Fidelity & Guaranty Fire; Holger Jensen, manager engineering and service bureau of the Maryland Casualty; Joseph F. Matthai, vice-president U. S. F. & G.; Charles H. Roloson, Jr., president Central Fire, and Carl W. Wheelock, secretary-manager Fire Underwriters Association of Baltimore.

The Maryland agency of Hagerstown, Md., has been chartered. Incorporators are R. C. Hershey, J. E. Bearinger and D. K. McLaughlin.

IN THE CANADIAN FIELD

Managers in Conference on British Columbia

SAN FRANCISCO—Four Canadian executives conferred here with the British Columbia advisory committee of which J. M. Mendell, Pacific Coast manager of the London Assurance, is chairman. The visitors were: J. H. Riddell, Montreal, Canadian manager of the Eagle Star, and president of the Dominion Board of Underwriters; W. E. Baldwin, Canadian manager for the Continental group and vice-president of the Dominion Board; Edgar J. Kay, Montreal, manager North British & Mercantile and member of the Dominion Board's council, and Arthur H. S. Stead, manager of the board. The Canadians had been in Vancouver, B. C., in conference with British Columbia underwriters concerning rating and commission matters and will return to that city following the San Francisco conferences.

McGrail Agency Superintendent

TORONTO—E. J. McGrail has been appointed agency superintendent for Ontario for the Phoenix group, with headquarters in Toronto. He formerly

was located at Ottawa, where he joined the London Guarantee & Accident in 1919 as inspector for eastern Ontario. E. E. Carter, previously with the Dominion of Canada General and the General Accident, succeeds him in Ottawa.

Licensed Dominion-Wide

VANCOUVER, B. C.—The Switzerland General has been licensed in British Columbia. This completes its Dominion-wide operations. Robison-McBeath, Vancouver, have been appointed general agents.

John L. Noble Honored

VANCOUVER, B. C.—An informal dinner here celebrated the 25th anniversary of John L. Noble as board executive in British Columbia. J. Hunter Harrison, the British Columbia Association's honorary vice-president, was chairman.

Layton Dies at Vancouver

VANCOUVER, B. C.—David S. Layton, British Columbia manager of the Dominion of Canada General and Casualty Company of Canada, died here. He was honorary president of the British Columbia Insurance Underwriters Association.

MARINE INSURANCE NEWS

Mutual Committee Requested to Approve Standard Forms

The executive committee of the Mutual Marine Conference has been requested to approve a number of new standard forms for inland marine coverages, as a result of the winter meeting of the underwriting committee in Chicago.

Among them are a motor cargo form which includes both the legal liability of truckmen and goods owned by shippers in a single policy; a morticians' liability policy; an unearned premium form; theatrical floater; installation risks form; and a joint bailees' customers' form covering laundry and cleaners' and dyers' risks in a single policy.

Recommended also was special rating for musical instrument risks involving more than \$7,500 in values, and for theatrical floater risks involving more than \$10,000.

To make more convenient the rendering of reports which have been requested by the Interstate Commerce Commission it was agreed that motor cargo experience will be kept upon a zone

basis—hauls of less than 50 miles, between 50 and 150 miles, between 150 and 300 miles, and over 300 miles.

Informal discussion indicated inland marine business of members increased last year about 40 percent. Members of the underwriting committee are T. L. Osborn, National Retailers Mutual, chairman; Robert Morris, United Mutual Fire, Boston; E. J. Raabe, Central Manufacturers Mutual, Van Wert, O.; George Madden, Western Millers Mutual, Kansas City; and T. M. Holloran, Grain Dealers National Mutual, Indianapolis.

Berengaria Fire Caused Anxiety

NEW YORK—Marine underwriters were excited last Thursday at news of the fire in the cabin lounge of the White Star liner Berengaria, while at her dock in this city. Although the damage was not nearly so severe as was at first anticipated, thanks to effective work on the part of the crew and the city fire department, the supervising inspector of the United States bureau of marine inspection and navigation barred passenger travel and the steamer sailed for the home port March 4, without passengers.

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**FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY**

The Berengaria was launched in 1912. In order to obtain adequate insurance upon the vessel the underwriting facilities of the world were taxed to the limit. Companies everywhere were interested in the risk, hence the uneasiness when news of the fire came over the ticker. The feeling was intensified by the knowledge that the steamship had had a fire while docked at Southampton a few weeks earlier.

Insure Denver Art Collection

DENVER—Payment of a \$676 premium to protect the Junius Flagg Brown collection of paintings has been authorized by the Denver city council. The paintings now belong to the city and are on exhibition on the fourth floor of the city hall. They have an Art Museum catalogue valuation of \$250,000.

P. J. Leen Heads Mariners

P. J. Leen, Fireman's Fund, was elected skipper of the Mariners, the organization of Chicago marine men, at the annual dinner meeting Monday. He succeeds R. D. Sullivan, Chicago manager of the Marine Office of America. The new first mate is J. V. Conmy, America Fore; the purser is Walter E. Tesch, now of the Aetna Fire, who is joining the Home in a few days; J. P. Thomas, North America, is yeoman, and H. F. Kummerow, Home, is coxswain. There was a good turnout at the meeting. The membership numbers about 80.

Cargo Loss Not Covered

LINCOLN — The Nebraska supreme court has entered a decision relieving Fireman's Fund of liability on a transportation floater policy issued to the Barish-Saunders Motor Company of Omaha. Suit was to recover damages to a cargo of automobiles that were swept off the top of a truck when it essayed to enter a highway overpass. As originally printed the policy included among the exclusions these words, "and collision of the load with any other object." As issued a red ink line had been drawn through these words, and the contention of the assured was that the effect of striking out an "exclusion" has the effect of making "coverage."

The court says that with the words elided it plainly appears the policy does

not include damages occasioned by land or cargo collision. It says that the phrase was quite properly cut out of the policy by the draftsman after there had been attached a rider reading: "Loading and unloading hazards due to perils specified above, and, in addition, damages by collision or overturning of cargo while being loaded or unloaded. The court says that to the extent of its terms this rider is repugnant to the printed provision excluding collision of the load with any object, and that it covers only the truck.

Tesch with Home in Chicago

Walter E. Tesch, who has been in the Chicago and Cook county marine department of the Aetna Fire for several years, is joining the Home in its marine department in the same city as special agent. He will assist Manager R. L. Maxwell in underwriting and in general marine work in Cook county.

R. L. Maxwell on Job Again

R. L. Maxwell, Chicago marine manager of the Home, returned to his desk Monday after having been away for seven weeks recovering from a successful operation for a stomach ulcer.

Badger Goes to Chicago

Newhouse & Sayre, all-risks underwriters for the Home of New York group, has transferred Trafton O. Badger to the Chicago office. He formerly was manager of the Cleveland office and recently has been special agent for several eastern states.

Inland Marine Men in South

J. H. McKinney, assistant manager of the inland marine department of the New York office of the Fireman's Fund, is making a tour of southern agencies. Stephen Chandler, secretary of the Phoenix of Hartford inland marine department, is also visiting agents in the south.

Interpretation Group Elects

D. F. Cox of Appleton & Cox was reelected chairman of the committee on interpretation and complaint at the annual meeting. Paul L. Haid, president Insurance Executives Association, was reelected vice-chairman. The only new members of the committee are those representing National Bureau of Casualty & Surety Underwriters, they being F. S. Garrison, Travelers, and R. A. Algire, National Surety.

MOTOR

Illinois Financing Study

The Illinois insurance department is engaged in a study of various aspects of the automobile finance business in its relation to insurance. At the last meeting of the National Association of Insurance Commissioners, a resolution was adopted memorializing the members to issue rulings under which the borrower would receive a specific statement of his insurance coverage and its cost and that would prohibit insuring finance accounts at a flat rate per \$100 of outstanding loan, instead of on the regular manual basis. The Illinois department is investigating the desirability of issuing such a ruling. The insurance department in Illinois administers the small loan act and hence has a measure of supervision over personal loan institutions, some of which are affiliated with automobile financing concerns.

Insurance Racket Uncovered

NEWARK—Four men have been arrested by the Newark police and held under \$5,000 bail to await the action of the grand jury on a charge of "operating an insurance business without a license" under the guise of the National Automobile Club. The club had been incorporated, but according to W. J. Snediker, in charge of the license bureau of the

New Jersey insurance department, the club had not been authorized to transact an insurance business.

One of the features of the club, in addition to the annual dues of \$15 per year, was to offer the members a \$5,000 insurance policy, which it is alleged by the police, the members never received and in addition the members were to receive a \$5,000 bail bond, which never materialized. Repair work, towing privileges and other promises were held out to prospects.

Fidelity Sales Possibilities Stressed at Detroit

(CONTINUED FROM PAGE 35)

"Company investigation often brings to light information of considerable value to the employer. Employers who object can sometimes be educated to see the advantages of such investigation—especially after they have suffered a loss from one of their most trusted employees. I have known them to change their attitude entirely in such a case.

"Few people aside from fidelity examiners realize how hard it is to get a company to accept a risk with a bad previous record. I believe that the companies should investigate in every instance, otherwise bonding employees becomes a mockery. I feel that from the client's standpoint they are entitled to this service. If we are not going to do it this fact should be clearly understood by the employer in advance.

"The benefits of fidelity coverage to employers are these: first, indemnity for actual losses; second, the experienced underwriter can frequently suggest changes in bookkeeping or other methods of doing business that will tend to reduce the hazard; third, the investigation service is almost as important as the indemnity for losses, and fourth, the buying of fidelity coverage by the employer tends to increase the efficiency of his employees and to improve their morale. This feature is not always adequately appraised by business executives.

"I cannot overemphasize the importance of the investigations conducted by the fidelity companies. Few business executives have either the time or the experience necessary to run down past records of their employees properly. We all know how easy it is to prepare false letters of recommendation and to hide bad spots in one's background. These features are often disclosed by the company's investigation."

The second of the series of meetings was held in Grand Rapids. Spencer Welton again acted as chairman. Messrs. Lunt and Moseman gave the same talks as they did in Detroit, while H. N. Reinhold, field supervisor U. S. F. & G., spoke on "The Application of Fidelity Bonds," and F. L. Winter, of Chaddock, Winter, Mulder & Alberts, Muskegon, spoke on "The Sale of Fidelity Bonds from the Agent's Point of View."

Tennessee Agents Approve New Constitution

(CONTINUED FROM PAGE 9)

is not retroactive in regard to part time agents.

Survey Agents Questioned

The acceptability of survey agents was questioned. Mr. Saint stated that the constitution does not provide for any special treatment of their status, but that each case will have to be decided upon its own merits. He feels that survey agents are not an economic necessity.

What little opposition there was to the adoption of the new constitution and by-laws was dispelled when Bethel Hunt, Memphis, the originator of the movement to bring Mr. Saint to Tennessee declared, "The plan is as good as you make it. This is not an experiment; it has been tried successfully in several states. In Arkansas the only way you can go into the insurance business is to buy out an established agency. In

four years they have reduced the number of agents in that state by one half." The new constitution and by-laws were officially adopted when the executive committee voted to accept them with only minor changes.

Mr. Saint's office will be in Nashville.

Experience in '36 and '37 Floods Is Considered

(CONTINUED FROM PAGE 9)

The personal property floater covers flood damage and early reports from Los Angeles were that homes of persons of the class for whom this contract was devised were involved in the flood. In the Ohio river flood, such losses were not numerous. By and large, the better residential districts were not involved.

There will undoubtedly be losses under transportation policies. In Louisville and a few other towns in the Ohio river flood marine companies were called upon to pay laundries and cleaners and dyers under bailee's customers policies. Such losses were fairly heavy. There were some losses under contractors equipment policies.

Some reinsurance problems occurred as a result of the flood and these were resolved all in favor of the ceding companies. The question arose as to whether the flood was to be regarded as one occurrence or a single happening in determining whether the excess carriers were to become liable. For instance, a plate glass insurer might have an excess contract to take care of losses in any one accident in excess of \$5,000. The question is whether for instance plate glass losses in Louisville, Cincinnati and other cities along the river should be added together to fill up the primary company's \$5,000 quota or whether the flood losses should be regarded as a series of distinct individual occurrences. The reinsurers resolved all doubts in favor of the direct company. The same situation arose under automobile excess policies and various marine excess contracts. The reinsurers all paid up on the basis that the flood was a single "accident."

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PROBLEM OF FLOOD AND FIRE PROTECTION

(CONTINUED FROM PAGE 9)

junction with public utilities and civic and relief associations to mobilize forces to serve in emergencies. There is much to be done to protect property, health and life. Although facilities may be abundant, organization for quick mobilization is vital. Cincinnati now has a "disaster code."

Should Be Informed

Owners of property that may be inundated or isolated by flood should apprise themselves as to the probable frequency of flooding and the height that the water may reach. The ground and floor levels should be correlated with the water level at various flood stages.

Such property owners should realize the possibility of damage to building and structures, to contents of buildings or yards, the danger of interruption of power and light, impairment of fire protection, notably automatic sprinklers and damage from fires in his own or neighboring property resulting from flood hazards.

Where only basements may be flooded and these are to be used for storage that cannot readily be removed, it is possible to build for water tightness and to provide pumps. Where, in a district subject to flooding, basements are designed for water tightness, the design must take into consideration the upward pressure that may develop against the basement floor, as well as the inward pressure against the walls. It is important to take these pressures into consideration when flooded basements are pumped out while the ground water is still at a high level.

Strong or Rushing Currents

"Where strong or rushing currents," he said, "are developed the retaining walls and foundations must be so constructed as to prevent serious erosion and the weakening of foundations while the flood is in progress or when the water drains away."

"Ice and floating debris may cause severe damage to structures and, under some circumstances, it may be desirable to provide special protection against this hazard or make special provisions to deflect floating material. Yard structures and sheds frequently suffer severely, due to flotation and current pressure. Lumber piles are particularly vulnerable and lumber piles in sheds, by floating or overturning, may cause structural damage. Some thought may well be given to the location and arrangement of storage piles, to minimize the loss."

"Tanks for oil or other storage lighter than water, or partially empty, are liable to flotation, even when underground. Computation of the forces acting to float such tanks is a simple engineering problem. The matter is of extreme importance where the storage of flammable materials is involved, as displacement or spillage may produce a severe fire hazard. Some of the most spectacular and serious fire losses during floods have been due to floating oils and gasoline. This hazard may expose nearby and downstream properties. The plant owner may well consider the exposure of his property to the hazards arising from other plants in his vicinity. The matter has been dealt with by the National Fire Protection Association, which has published 'Recommended Safeguards and Safe Practices for the Protection of Tanks Containing Flammable Liquids in Flood Areas.'

Storage in Basements

"Basements and lower floors of buildings known to be subject to periodic flooding should not be used for the storage of damageable goods or goods that will float, unless space and facilities are provided for prompt and easy removal. Valuable or damageable equipment preferably should not be located in such areas."

"Floods frequently interfere with sanitary sewer systems. Backing-up of

sewerage sometimes causes damage in basements outside of the normal flood area. Vaults constructed underground for safety deposit, preservation of records or valuable storage, should be made proof against that intrusion of water through drains or otherwise. Permanent facilities for pumping may be necessary.

"The public utility companies operating power stations and gasworks have taken the lead in safeguarding their plants against interruption by floods, acting upon lessons learned in recent years."

Previous Precautions Inadequate

"Many such properties are located along streams where there is special exposure. Recent floods, exceeding past records, showed that previous precautions taken with respect to the levels at which vital apparatus was located, were sometimes inadequate."

"Numerous towers of transmission lines along streams have been destroyed by ice or floating debris, and sometimes transformer equipment has overturned as the result of flotation, erosion or damage by debris."

"Careful attention should be given to the location and arrangement of private plants supplying power, heat and light. If possible, the boilers should be set above the level of any expected flood water. If boiler fires must be drawn, in the event of flood, service must cease. Damage may be done by freezing, manufacturing operations must be suspended and the facilities for the removal of goods to safe locations may be curtailed. In some situations, the diking of vital units, to keep out the flood waters, may be advisable. Private transformer equipment should be securely located well above any expected flood water level."

ISOLATION OF PLANTS

"In some flood districts, plants may be isolated beyond the reach of any public facilities for fire protection, and unless carefully designed, the public fire alarm system may be impaired."

"Automatic sprinkler systems are peculiarly vulnerable. If the flooding occurs during cold weather, is long continued and causes the interruption of the heating of buildings, wet pipe systems may be seriously damaged by freezing. If power supplies are crippled, it may be impossible to maintain the air pressure on dry pipe systems. Floating debris may cause breakage of the automatic sprinklers themselves or rupture of the piping. In one notable case at least, widespread operation of sprinklers was caused by the generation of steam through contact of flood waters with hot kilns. Where discharge of water occurs from the sprinkler system, public or private water supplies may be depleted."

Consult Service Organizations

"In many situations where such conditions can be foreseen in the light of the actual or expected rise of flood waters, it may be wise to close control valves and to drain the sprinkler system so that as far as possible the equipment will be preserved and ready for use promptly after the emergency has passed. Every possible precaution should be taken to remove the hazards from which fire may develop and to provide for such watch over the property as may be possible."

"An important factor is prompt action to take the necessary emergency measures with respect to the fire protection equipment, as rapidly rising water may soon interfere. Fire insurance service organizations may well be consulted as to proper measures in specific cases."

"Outstanding among the hazards produced by floods is that from floating gasoline, oil or other flammable liquids. Gasoline vapors may easily be ignited by

sparks caused by short circuit, fires in processes, power plants or locomotives, by smoking or otherwise. Some serious fires have been caused by the overflow of fuel oil in proximity to forge fires. All such fires are likely to be widespread and difficult to handle, and they may occur beyond the reach of any available fire department protection. In properties at all exposed to flooding, careful consideration should be given to the technical features of the recommendations of the N. F. P. A. for the protection of tanks containing flammable liquids."

PROBLEM OF CHEMICALS

"Some chemicals, notably quick lime, are subject to heating when wet, and the location of storage should be carefully chosen. Calcium carbide, on contact with water, generates acetylene gas and should be stored in a safe location."

"The escape of illuminating gas from ruptured pipes may produce conditions under which explosion and fire may occur."

"Hay, especially green hay, also perhaps some other fibrous materials, may develop spontaneous heating when wet."

"The use of temporary facilities for heating and light, while normal facilities are out of service, may introduce special hazards."

"Where it is known that a plant is to be inundated or isolated, prompt measures should be taken to cut off the supplies of electricity, gas and water, remove all damageable goods to a safe location, draw all fires, and take all reasonable precautions to reduce the fire hazard."

Special Protection Interrupted

"The interruption of special protection in a manufacturing or industrial property is a serious matter. During recent floods, valuable advice and assistance was rendered to property owners by the service organizations of the fire insurance companies. In such emergencies, the advice and assistance of fire protection engineers can usually be obtained promptly by application to the insurance agent, the rating organization or other insurance organization having jurisdiction."

"When large areas in a city are inundated, the problems faced by the fire department are varied and serious."

"One problem involves the maintenance of the public water supply for fire fighting purposes. In some cases, pumping stations and other supply works have been submerged, and in others, gravity storage reservoirs have been drained or depleted, due to the breaking of pipe lines and the destruction of bridges. Fire alarm telegraph system may be impaired. The access to certain areas for fire fighting may be cut off."

"The extent to which public facilities for fire protection are maintained in spite of flood conditions is a measure of the engineering care with which the pro-

visions for the water supply works, the fire alarm telegraph system and the fire department housing and equipment have been made. The effectiveness of the emergency provisions depends on the organization and the capability of the men in charge. The property owner should take an active and intelligent interest in the handling of these matters in his community."

"The hazard of gasoline and fuel oils during a flood deserves the particular attention of property owners. The transportation and bulk and retail storage of petroleum products is widespread, and the privileges of storage of these materials are being constantly sought. There is a tendency to use cheap and low-lying areas for the development of oil storage properties and to introduce local storage in proximity to industrial plants. Strong action, through zoning and other ordinances, should be taken to restrict or safeguard such storage in areas subject to flooding, if the flood damage is not to be compounded by that of conflagration."

"After the flood waters recede, serious hazards to life and property may remain."

Structurally Unsafe.

"Buildings may not be fit for occupancy on account of hazards to health, due to the spread of sewage and filth by flood waters."

"Buildings may be structurally unsafe on account of weakened or settled foundations or walls."

"Gas mains may be broken or connections open."

"Electric wiring and equipment may have been damaged or so water-soaked as to be hazardous."

"Fire protection and equipment for safety to life may be inspired."

"Emergency measures taken to dry out buildings or equipment may introduce fire hazards."

"Water-soaked materials may cause overloads in buildings."

Reoccupancy of Buildings

"The reoccupancy of buildings following flooding should be permitted by the authorities only after a rigorous inspection of the structures' condition with respect to wholesomeness and sanitation, and the condition of gas, electric and fire protection equipment. The use of temporary heating apparatus for drying out buildings, materials or equipment should be subject to specific investigation and approval by the fire department or other proper authorities."

"In time of serious flood, the owner of private property is largely dependent for the protection of his interests upon the public authorities, and in many cases he must surrender his individual control or prerogatives with respect to his property and lend his aid in the common efforts for protection against human and property losses. In every area exposed to possible flooding, there are strong reasons why each owner or manager of property should evince an effective interest in the measures that will reduce the hazards."

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Argus Fire Chart Out Early with Valuable Data

(CONTINUED FROM PAGE 3)

from home. Another interesting showing is the membership of insurance groups, or fleets, with the premiums written during the past year by each company, and the total for the fleet. Another department gives the names of all underwriters' agencies, with the name of the parent company. By an ingenious index the list showing where companies are licensed is used also to find the groups or fleets to which they belong and the underwriters' agencies they have.

Utility to Agents

All of this information is of great utility to agents in handling their accounts. Another useful feature shows company changes since Dec. 31, 1928, showing what became of companies that were merged or retired, or that changed their name.

Other lists show the underwriting and investment profits for 1937, the premiums and losses of each company on the separate lines, including fire, motor vehicle, ocean marine, inland navigation, tornado, air craft, sprinkler leakage, earthquake, riot, civil commotion and explosion, hail on growing crops, and rain, flood, water damage, thaw and freeze, and miscellaneous.

The comparative standing of 85 stock fire insurance companies for the past 10 years is given by admitted assets, by surplus to policyholders, and by net premiums written. Still another useful department gives the names of organizations allied with the fire insurance business, with their executive chiefs and addresses, such as the Aero Insurance Underwriters, American Association of Insurance General Agents, etc.

Analysis of Assets

A department that aroused great interest when inaugurated last year analyzes the assets of stock companies, mutuals, reciprocals, and Lloyds. This department shows the investments of the various companies in real estate and mortgages, bonds, stocks, cash and deposits, agents' balances, and all other investments, with a final column showing the total admitted assets.

Every agent needs a copy of the Argus Fire Chart and its companion book, the Argus Casualty Chart, which will be out only a few days later than the fire chart. The price of each is \$1, but the two together are sold for \$1.50. Orders with remittances may be sent to The National Underwriter, 420 East Fourth street, Cincinnati.

Offices requiring more than one copy, or wishing to distribute them to important customers, may obtain five copies for \$3, 12 for \$6, or 25 for \$10. There is room on the front cover for an agent's stamp or sticker.

London Lloyds Is Resuming New Writings in Illinois

(CONTINUED FROM PAGE 15)

Mr. Lord's contracting for additional office space and his arrangements for a more elaborate setup are taken by observers to indicate his confidence that London Lloyds will win out in the quo warranto proceeding brought in Sangamon county, Ill., circuit court by casualty companies seeking to curtail Lloyds' activities in the state. That suit is returnable April 4. Another earlier action filed by the same companies against Insurance Director Palmer, questioning his licensing of London Lloyds, is being held in abeyance pending outcome of the later suit, which calls on some 1,900 Lloyds' underwriters to show by what right they are operating in Illinois.

Mr. Lord, ever since he moved into the Field building, has maintained his attorney-in-fact office on the 23rd floor

separate from his legal firm, and will move the former into the new quarters when they are ready in about a month. The taking of the new space was largely to consolidate the offices and make room for a number of new attorneys who are becoming associated with the legal firm, it was explained.

Insurers Seek to Learn Losses in California Flood

(CONTINUED FROM PAGE 4)

dino counties, the mountain streams still are pouring flood waters into the main rivers. The waters are receding on the upper reaches and restoration has started, but on the low lands within a mile or two of the Pacific the water was still at flood depth Sunday.

In Ventura county immediately north of Los Angeles, conditions are similar to the local situation, with cities and towns digging out of the debris.

Whether companies writing live stock coverage will be hit remains to be determined. In Riverside, San Bernardino and Orange counties several huge hog ranches have been caught in the flood waters, and in one farm 900 hogs were reported in the path of the flood.

Claims under the personal property floater have started to come in by the dozen. They are estimated to run from \$25 to \$600. Some claims arise from looting, as well as actual flood damage.

On the Roosevelt highway, from Los Angeles to Ventura, trucks were stalled for more than a mile in length, but their cargo was covered and they made no attempt to travel, hence there was no loss. A few commercial trucks that carried additional coverage endorsements were washed away. Loss recovery hinges on the definition of the word "stream" in the policy. Adjusters have asked a legal opinion from company attorneys. Most of the rivers and creeks that overflowed and caught the trucks are dry washes and arroyos during a large part of the year, and adjusters are not sure they come under the definition of a "stream."

Ultimatum on Merger Is Given to Boston Board

(CONTINUED FROM PAGE 14)

At the adjourned annual meeting, Harry H. Clutia, president Northern of New York; W. R. Hedge, president Boston; J. V. Herd, vice-president Fire Association; C. L. Purdin, manager New England department Liverpool & London & Globe; and M. G. Wight, secretary Hartford Fire, were elected members of the board of governors for a term of three years. Other members of the board are G. G. Bulkley, president Springfield Fire & Marine; Guy E. Beardsley, vice-president Aetna Fire; W. F. Dooley, vice-president Continental; C. C. Hannah, vice-president Fireman's Fund; F. C. Hatfield, vice-president Phoenix of Hartford; W. E. Maynard, vice-president Providence Washington; A. E. Murdock, secretary North British & Mercantile; W. B. Rearden, vice-president Firemen's of Newark; J. D. Smart, vice-president New Hampshire Fire, and Harold V. Smith, president Home.

Mr. Bulkley was elected chairman,

Mr. Beardsley vice-chairman and Ralph Sweetland secretary-treasurer and executive manager.

The possibility that the Boston Board, having been chartered as a fire insurance rating organization, might forfeit its charter by virtue of having its rating powers transferred to the New England Fire Insurance Rating Association, has been obviated by allowing the rates for the Boston metropolitan district to be issued through a committee composed of four company and two individual members of the Boston division represented by the Boston Board. Formerly the Boston Board issued its rates similarly through a committee composed of six company and three individual members.

Concession to Mutual Members

An important concession has been made to the mutual company members of the Boston Board. Formerly the mutuals secured Boston manual rates from the board and bought the New England manual rates from the New England Exchange, but were denied all rating or preferential rates for the outside Boston metropolitan area which was controlled by the exchange. As the Boston district, so-called under the new setup, puts metropolitan Boston into the division represented by the Boston Board, and mutuals will be allowed all the rating privileges of Boston Board members, the mutuals will not only have the rating, or preferential rates, given them for Boston proper, but, in addition, metropolitan Boston, which constitutes a very important concession.

Provisions for Employees

The terms of the new arrangement provide that present employees, including those allowed to the Boston Board that may continue its former activities of enforcing the agency and brokers rules, will be continued on the payroll, however, at salaries commensurate with their new positions, and such agreement is only for three years.

The ultimatum read to the full membership of the Boston Board was duplicated in similar orders to the Providence (R. I.) Board of Underwriters. This board has never taken any active opposition to the new arrangement but has tacitly agreed to abide by what Boston did.

Illustrious Alumni of National Fire in West

(CONTINUED FROM PAGE 15)

America Fore group in the western department.

Carl E. Whipple, an examiner, later became assistant manager of the Union of Canton and then assistant manager of the Improved Risk Mutuals of New York City. Sim E. Wherry, Iowa special agent, is now manager of the service department of the Home of New York in the Chicago office. H. T. Cartledge, assistant manager, is now deputy United States manager of the Royal-L & L & G. group. R. D. Safford, assistant manager, is now vice-president of the Travelers Fire. Ed. Quinn, who is now superintendent of the brokerage and reporting cover department at the head office of the Commercial Union group, was Wisconsin special agent. F. S. Dauwalter of New York City, director of the Business Development Office, was in the field for the National. W. W.

Conventions

March 10-11—New Jersey Agents, Hil-debrecht Hotel, Trenton.
March 22-23—Minnesota Agents, mid-year, Curtis Hotel, Minneapolis.
April 7-8—Florida Agents, Hollywood Hotel, Hollywood.
April 13—Centennial Celebration, Cincinnati Fire Underwriters Association, (Banquet).
April 19-20—Western Underwriters Association, White Sulphur Springs, W. Va.
May 2—Arkansas Local Agents, Arlington Hotel, Hot Springs.
May 2-4—National Association of Insurance Agents, Arlington Hotel, Hot Springs, Ark.
May 5-7—American Association of Insurance General Agents, Grove Park Inn, Asheville, N. C.
May 5-7—North Carolina Agents, Grove Park Inn, Asheville, N. C.
May 5-7—National Association of Independent Insurance Adjusters, Indianapolis.
May 9—National Fire Protection Association, Haddon Hall, Atlantic City.
May 11—American Management Association, Atlantic City.
May 2-5—U. S. Chamber of Commerce, Washington, D. C.
May 12-14—Industrial Insurers Conference, Jacksonville, Fla.
May 19-20—Alabama Agents, Mobile.
May 19-20—Texas Agents, Galveston.
May 20-21—Mississippi Agents, Biloxi.
May 23-24—New York Agents, Syracuse.
May 24-26—Health & Accident Underwriters Conference, Edgewater Beach Hotel, Chicago.
May 26-27—Pennsylvania Insurance Days, Bellevue Stratford Hotel, Philadelphia.
June 1-2—National Accident & Health Association, Cleveland.
June 6-7—West Virginia Agents, Parkersburg.
June 13—Insurance Commissioners, Hotel Frontenac, Quebec, Can.
June 16-17—Kentucky Agents, Brown Hotel, Louisville.
July 5-6—New England Agents, Poland Springs Hotel, South Poland, Me.
Aug. 23-25—Blue Goose Grand Nest Meeting, Los Angeles.

Waddell, who was at one time Iowa state agent, is now general agent in the western department of the Fireman's Fund.

Anti-Direct Writing Drive Started in Boston

(CONTINUED FROM PAGE 22)

impair the company, diminishing allowable surplus to 1/48th of the present surplus. Mr. Cronin said he would be disposed to favor the bill if he could add three amendments, to make it apply to stock companies, to allow assessment liability to be waived if surplus exceeded a stated amount, and a third to be submitted later.

Counsel Henry of the American Mutual Liability contrasted the bill with the plan in New York to secure a minimum surplus, which would be higher than the maximum allowed in Massachusetts.

Others Present Views

R. C. Brush, Transit Mutual, said application of the bill to his company would make it insolvent in a short time.

Felix Hebert, representing Associated Factory mutuals, stated his companies might well have a single loss in excess of the surplus limit allowed by the bill.

G. L. Barnes, counsel for the dwelling house mutuals, American Mutual Alliance and Associated Industries, said the bill would apply to all domestic mutuals writing sprinkler leakage, notwithstanding previous statements. Applying the terms to some old New England mutuals, he showed it would reduce their surplus to less than 5 percent of the value of their total securities.

D. M. Holman, United States Mutual Liability, said it would be quite possible for two loss cases entirely to wipe out such a surplus as would be allowed under the bill.

Central Manufacturers Rally

The annual conference of field men of Central Manufacturers Mutual Fire was held at the head office in VanWert, O., the first three days of this week.

MUTUAL FIRE REPORTS FOR 1937

	Cash Assets*	Unearned Prems.	Cash* Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Disb.
Farmers Alliance	1,396,649	734,524	526,703	581,469	187,941	665,064	512,555
Federal Mut., Mass.	893,341	439,523	411,518	538,251	164,420	598,402	566,340
Glen Cove Mutual	500,544	238,860	222,891	256,625	85,202	279,394	205,743
Hampshire Mut. Fire	137,175	88,646	45,241	86,732	29,115	91,643	103,529
Mutual Fire, Hartford							
Co., Md.	766,087	358,886	269,795	532,861	268,396	628,254	517,915
Mut. Fire, Saco, Me.	490,903	247,311	120,629	260,300	93,355	278,907	268,057
Natl. Petroleum Mut.	192,300	101,316	46,445	139,222	51,512	161,392	142,957
Sterling Fire, N. Y.	338,764	117,737	205,460	125,847	41,926	135,217	94,130
Transportation Mut.	3,669,566	1,957,912	2,898,212	1,234,884	257,228	539,123	527,116

*Does not include notes and policyholders' contingent liability.

EXPERIENCE BY LINES IN 1937

(CONTINUED FROM PAGE 15)

Alliance Assur.		
	Net Prem.	Losses Pd.
Ocean marine	\$ 434,434	\$ 218,102
Motor vehicle	399,032	154,257
Inland marine	297,388	127,017
Aircraft	4,885	2,921

American Reserve		
	Net Prem.	Losses Pd.
Fire	\$2,555,653	\$1,205,363
Ocean marine	62,265	33,895
Motor vehicle	23,376	7,297
Earthquake	5,142	—
Inland marine	34,770	16,844
Tornado-windstorm	61,946	9,710
Hail	16,448	3,045
Sprinkler leakage	7,742	950
Riot and explosion	15,412	755

Capital Fire, Cal.		
	Net Prem.	Losses Pd.
Fire	\$ 92,379	\$ 38,934
Motor vehicle	21,414	8,345
Inland marine	6,184	1,612
Tornado-windstorm	2,365	683

Century		
	Net Prem.	Losses Pd.
Fire	\$ 942,362	\$ 389,664
Ocean marine	311,965	163,818
Motor vehicle	760,355	282,684
Earthquake	2,719	—
Inland marine	79,189	16,316
Tornado-windstorm	92,762	32,234
Sprinkler leakage	3,611	1,803
Riot and explosion	12,030	2,839

Columbia Fire, O.		
	Net Prem.	Losses Pd.
Fire	\$ 323,936	\$ 135,141
Motor vehicle	52,394	24,720
Inland marine	35,543	24,622
Tornado-windstorm	39,929	11,304
Hail	6,322	4,558
Riot and explosion	3,958	395

Commercial Standard		
	Net Prem.	Losses Pd.
Fire	\$ 34,596	\$ 12,040
Motor vehicle	1,890,034	\$28,521
Tornado-windstorm	6,626	1,232

Dixie Fire		
	Net Prem.	Losses Pd.
Fire	\$ 241,790	\$ 83,122
Motor vehicle	192,810	85,326
Inland marine	19,592	12,311
Tornado-windstorm	26,130	6,267
Hail	3,161	2,279
Riot and explosion	2,384	198

Employers' Fire		
	Net Prem.	Losses Pd.
Fire	\$1,305,191	\$ 459,756
Motor vehicle	843,631	297,864
Inland marine	171,627	55,361
Tornado-windstorm	124,541	37,365
Sprinkler leakage	4,303	1,203
Riot and explosion	8,219	1,903

Equity Fire		
	Net Prem.	Losses Pd.
Fire	\$ 256,563	\$ 18,930
Tornado-windstorm	45,890	1,540
Riot and explosion	8,403	19

Eureka-Security F. & M.		
	Net Prem.	Losses Pd.
Fire	\$1,079,924	\$ 405,377
Motor vehicle	389,397	291,529
Earthquake	7,986	4
Inland marine	97,997	38,896
Tornado-windstorm	91,255	17,154
Sprinkler leakage	6,940	2,246
Riot, explosion	65,290	7,843
Flood	12,432	7,379

Farmers Fire, Pa.		
	Net Prem.	Losses Pd.
Fire	\$ 602,928	\$ 225,378
Tornado-windstorm	11,832	2,631
Riot and explosion	4,790	1,253
Suppl. Cont.	14,498	60

Federal, N. Y.		
	Net Prem.	Losses Pd.
Fire	\$ 310,359	\$ 75,027
Ocean marine	1,102,334	609,938
Motor vehicle	2,234,580	863,487
Inland marine	996,000	291,852
Tornado-windstorm	21,446	1,865
Sprinkler leakage	2,620	6
Riot and explosion	3,843	475
Aircraft	4,885	2,921

Fonciere		
	Net Prem.	Losses Pd.
Ocean marine	\$ 29,752	\$ 25,383

Globe & Republic		
	Net Prem.	Losses Pd.
Fire	\$2,071,116	\$ 774,566
Ocean marine	21,255	12,570
Motor vehicle	232,885	144,908
Earthquake	4,691	96
Inland marine	6,636	2,524
Tornado-windstorm	99,310	30,650
Hail	13,818	3,298
Sprinkler leakage	7,858	2,293
Riot and explosion	10,819	1,570

Gulf, Tex.		
	Net Prem.	Losses Pd.
Fire	\$1,102,698	\$ 364,890
Motor vehicle	643,619	287,433
Tornado-windstorm	196,137	49,891
Riot and explosion	43,138	19,706

Importers & Exporters		
	Net Prem.	Losses Pd.
Fire	\$ 72,729	\$ 32,512
Tornado-windstorm	2,076	1,298

Knickerbocker		
	Net Prem.	Losses Pd.
Fire	\$1,572,727	\$ 588,343
Ocean marine	16,145	9,543
Motor vehicle	176,875	110,956
Earthquake	3,563	73
Inland marine	5,040	1,917
Tornado-windstorm	75,425	23,279
Hail	10,495	2,505
Sprinkler leakage	5,968	1,742
Riot and explosion	8,217	1,192

London Assur.		
	Net Prem.	Losses Pd.
Fire	\$2,039,539	\$ 730,594
Ocean marine	762,897	423,017
Motor vehicle	547,229	281,342
Earthquake	5,462	—
Inland marine	307,065	133,986
Tornado-windstorm	150,373	40,716
Sprinkler leakage	4,661	1,720
Riot and explosion	36,288	2,615
Aircraft	5,350	3,189

Lond. & Prov. Marine		
	Net Prem.	Losses Pd.
Fire	\$ 241,624	\$ 98,311
Motor vehicle	49,283	26,309
Inland marine	5,524	3,361
Tornado-windstorm	26,131	3,176
Earthquake	3,668	3,156
Riot and explosion	4,341	125

Manhattan F. & M.		
	Net Prem.	Losses Pd.
Fire	\$ 538,474	\$ 183,109
Motor vehicle	166,244	81,384
Tornado-windstorm	38,028	8,806
Riot and explosion	7,281	1,652

Marine		
	Net Prem.	Losses Pd.
Ocean marine	\$ 751,316	\$ 352,557
Motor vehicle	398,300	155,019
Inland marine	767,714	175,035
Aircraft	4,826	2,920

Meiji Fire		
	Net Prem.	Losses Pd.
Fire	\$ 195,542	\$ 62,011
Motor vehicle	158,499	67,882
Tornado-windstorm	7,850	934

Merchants, R. I.		
	Net Prem.	Losses Pd.
Fire	\$ 913,813	\$ 331,775
Motor vehicle	130,725	124,691
Inland marine	32,392	17,582
Tornado-windstorm	41,464	13,622
Sprinkler leakage	2,644	943
Riot and explosion	4,843	718

Merchants & Mfrs., N. Y.		
	Net Prem.	Losses Pd.
Fire	\$1,232,183	\$ 460,763
Ocean marine	16,002	5,189
Motor vehicle	138,552	86,211
Earthquake	2,791	57
Inland marine	3,948	1,502
Tornado-windstorm	59,083	18,235
Hail	8,221	1,962
Sprinkler leakage	4,675	1,364
Riot and explosion	6,437	934
Other lines	30,926	3,427

Monarch Fire		
	Net Prem.	Losses Pd.
Fire	\$1,079,924	\$ 407,340
Motor vehicle	389,397	292,606
Earthquake	7,986	4
Inland marine	97,997	38,896
Tornado-windstorm	91,255	16,993
Sprinkler leakage	6,940	2,246
Riot and explosion	65,290	7,843
Flood	12,432	7,379

National Amer. Fire, Neb.		
	Net Prem.	Losses Pd.
Fire	\$ 281,216	\$ 118,929
Motor vehicle	216,657	329,330
Earthquake	2,139	—
Inland marine	18,662	7,309
Tornado-windstorm	69,170	26,551

National F. & M., N. J.		
	Net Prem.	Losses Pd.
Fire	\$ 178,982	\$ 35,902
Motor vehicle	10,244	8,564
Inland marine	3,407	35
Tornado-windstorm	14,643	1,124

New York Fire		
	Net Prem.	Losses Pd.
Fire	\$1,782,733	\$ 666,635
Ocean marine	18,298	10,816
Motor vehicle	200,458	124,731
Earthquake	4,037	83
Inland marine	5,712	2,173
Tornado-windstorm	85,482	26,382
Hail	11,894	2,839
Sprinkler leakage	6,764	1,974
Riot and explosion	9,312	1,351

Pacific Coast Fire		
	Net Prem.	Losses Pd.
Fire	\$ 314,120	\$ 129,888
Ocean marine	43,678	11,941
Motor vehicle	253,452	94,228
Inland marine	25,756	5,351
Tornado-windstorm	30,921	10,745
Riot and explosion	4,010	946

Pearl Assur.		
	Net Prem.	Losses Pd.
Fire	\$6,221,567	\$2,312,786
Motor vehicle	778,794	584,934
Earthquake	45,784	24
Inland marine	195,994	77,792
Tornado-windstorm	523,212	98,228
Sprinkler leakage	39,791	12,876
Riot and explosion	374,342	44,955
Aircraft	4,071	4,507
Flood	71,275	42,307

Potomac		
	Net Prem.	Losses Pd.
Fire	\$ 840,936	\$ 278,828
Ocean marine	101,800	67,801
Motor vehicle	910,596	404,373
Inland marine	118,496	43,578
Tornado-windstorm	74,581	18,267
Riot and explosion	9,398	472

Preferred Risk Fire		
	Net Prem.	Losses Pd.
Fire	\$ 192,538	\$ 69,890
Motor vehicle	28,114	8,375
Tornado-windstorm	32,538	8,375
Hail on crops	10,813	1,974
Suppl. contract	9,214	1,894

Providence Washington		
	Net Prem.	Losses Pd.
Fire	\$3,252,937	\$1,115,497
Ocean marine	638,415	339,775
Motor vehicle	943,459	416,370
Earthquake	2,460	—
Inland marine	773,430	374,162
Tornado-windstorm	215,549	59,348
Hail	42,413	17,642
Sprinkler leakage	10,253	3,007
Riot and explosion	49,041	5,374
Aircraft	6,166	593

Prudential, Okla.		
	Net Prem.	Losses Pd.
Fire	\$ 90,914	\$ 33,122
Motor vehicle	19,862	19,243
Tornado-windstorm	25,764	7,891

Quaker City F. & M.		
	Net Prem.	Losses Pd.
Fire	\$ 142,683	\$ 39,409
Ocean marine	97,434	74,069
Motor vehicle	151,896	206,934
Inland marine	15,657	—
Tornado-windstorm	3,234	—

Queen City Fire		
	Net Prem.	Losses Pd.
Fire	\$ 64,693	\$ 14,820
Motor vehicle	11,401	4,796
Tornado-windstorm	23,471	15,176
Hail	17,587	5,806
Riot and explosion	2,170	515

Queen		
	Net Prem.	Losses Pd.
Fire	\$5,072,432	\$1,811,190
Ocean marine	296,984	159,970
Motor vehicle	723,187	324,739
Earthquake	13,211	1,020
Inland marine	353,333	105,382
Tornado-windstorm	349,363	88,282
Hail	2,489	347
Sprinkler leakage	31,201	7,651
Riot and explosion	76,571	15,087
Aircraft	17,086	9,400

Rhode Island		
	Net Prem.	Losses Pd.
Fire	\$1,254,552	\$ 497,584
Motor vehicle	190,613	187,114
Inland marine	46,745	26,373
Tornado-windstorm	55,056	20,433
Sprinkler leakage	3,718	1,414
Riot and explosion	6,781	1,078

(CONTD FROM PRECEDING PAGE)

Sun		
	Net Prem.	Losses Pd.
Fire	\$2,242,749	\$ 950,175
Ocean marine	249,270	155,182
Motor vehicle	466,889	157,723
Earthquake	8,914	8,914
Inland marine	131,692	65,911
Tornado-windstorm	133,631	37,091
Sprinkler leakage	6,408	2,102
Riot and explosion	47,836	3,613

State Farm Fire		
	Net Prem.	Losses Pd.
Fire	\$ 284,345	\$ 112,745
Motor vehicle	49,638	13,836
Inland marine	27,107	10,347
Tornado-windstorm	39,358	11,623
Hail	23,232	5,430

Swiss Reinsurance		
	Net Prem.	Losses Pd.
Fire	\$5,570,581	\$2,437,581
Motor vehicle	81,281	55,720
Earthquake	—672	—
Inland marine	23,939	11,541
Tornado-windstorm	177,856	85,878
Sprinkler leakage	39,846	12,011
Riot and explosion	52,980	10,166

Sun Underwriters		
	Net Prem.	Losses Pd.
Fire	\$ 320,553	\$ 139,821
Motor vehicle	64,212	26,331
Inland marine	63,813	30,702
Tornado-windstorm	20,356	4,406
Riot and explosion	3,400	994

Thames & Mersey		
	Net Prem.	Losses Pd.
Ocean marine	\$ 415,797	\$ 219,677
Inland marine	37,509	10,295

Tokio M. & F.		
	Net Prem.	Losses Pd.
Fire	\$ 929,188	\$ 325,130
Ocean marine	59,716	298,139
Motor vehicle	833,223	362,277
Inland marine	274,908	112,942
Tornado-windstorm	95,348	13,674
Sprinkler leakage	3,641	2,073
Riot and explosion	7,097	536

Travelers Fire		
	Net Prem.	Losses Pd.
Fire	\$8,186,181	\$2,662,525
Motor vehicle	2,739,011	914,515
Earthquake	12,568	46
Inland marine	1,187,488	297,428
Tornado-windstorm	706,830	109,884
Sprinkler leakage	72,331	15,645
Riot and explosion	113,039	15,090

Trinity Universal		
	Net Prem.	Losses Pd.
Fire	\$ 411,863	\$ 150,154
Motor vehicle	2,796,063	1,096,192
Inland marine	12,349	4,753
Tornado-windstorm	3,629	23,070
Riot and explosion	13,616	494
Casualty	565,313	116,922

Twin City Fire		
	Net Prem.	Losses Pd.
Fire	\$ 231,373	\$ 63,444
Motor vehicle	7,939	3,357
Inland marine	3,038	1,247
Tornado-windstorm	9,639	2,852
Hail	18,163	8,935
Riot and explosion	3,990	62

Union, Eng.		
	Net Prem.	Losses Pd.
Fire	\$ 757,328	\$ 292,687
Motor vehicle	128,364	60,961
Inland marine	34,401	11,388
Tornado-windstorm	66,629	18,908
Sprinkler leakage	2,797	1,111
Riot and explosion	4,854	1,740

Union Fire, Fr.		
	Net Prem.	Losses Pd.
Fire	\$ 335,768	\$ 148,250
Motor vehicle	73,878	40,470
Tornado-windstorm	22,521	3,296
Riot and explosion	3,287	435

Union of Indiana		
	Net Prem.	Losses Pd.
Fire	\$ 20,853	\$ 6,901
Motor vehicle	642,762	301,282
Tornado-windstorm	7,096	2,674

Union & Phenix Espanol		
	Net Prem.	Losses Pd.
Fire	\$ 585,813	\$ 312,615
Motor vehicle	23,045	15,110
Earthquake	5,922	—
Tornado-windstorm	31,064	8,475
Sprinkler leakage	2,643	1,806
Riot and explosion	12,402	399

Urbaine		
	Net Prem.	Losses Pd.
Fire	\$ 367,279	\$ 225,995
Motor vehicle	13,752	10,856
Tornado-windstorm	14,749	8,129
Sprinkler leakage	1,468	692
Riot and explosion	5,451	818

Virginia F. & M.		
	Net Prem.	Losses Pd.
Fire	\$ 573,433	\$ 186,931
Motor vehicle	9,285	1,544
Tornado-windstorm	27,375	5,614
Riot and explosion	3,920	1,184

World Fire & Marine		
	Net Prem.	Losses Pd.
Fire	\$ 864,140	\$ 308,908
Ocean marine	45,234	22,899
Motor vehicle	270,938	103,822
Inland marine	87,448	39,744
Tornado-windstorm	161,754	13,707
Hail	110,613	62,262
Sprinkler leakage	3,386	1,008
Riot and explosion	26,092	2,083

Yorkshire		
	Net Prem.	Losses Pd.
Fire	\$1,208,115	\$ 491,556
Motor vehicle	246,415	131,545
Earthquake	8,804	—
Inland marine	27,622	16,807
Tornado-windstorm	100,657	15,881
Hail	18,340	15,778
Sprinkler leakage	3,178	2,499
Riot and explosion	21,795	623

Officers Slate for N. F. P. A.
Annual Meeting PreparedMcComb Nominated for President;
Meet at Haddon Hall, Atlantic City, May 9-12

Samuel D. McComb, head of S. D. McComb & Co., New York marine agency, and manager Marine Office of America there, was nominated for election as president of the National Fire Protection Association at the annual meeting to be held May 9-12 in Haddon Hall, Atlantic City. Others on the slate are: First vice-president, A. R. Small, president Underwriters Laboratories, Chicago, who has been vice-president in the last year; vice-president, D. J. Price of the bureau of chemistry and soils, Department of Agriculture, Washington; secretary-treasurer and managing director, F. H. Wentworth, Boston, and board chairman, A. T. Bell, vice-president Leeds & Lippincott Co., Atlantic City, hotel operating concern which runs Haddon Hall.

Nominated for the board are: F. A. Epps, Gulf Refining Company, New York; Russell Grinnell, president Grinnell Sprinkler Company, Providence, R. I.; A. H. Kehoe, vice-president Consolidated Edison Company, New York; C. W. Pierce, vice-president America Fire group, New York; J. L. Wilds, president Protection Mutual, Chicago, (for three years); and H. Sidney Smith, Union Carbide & Carbon Company, New York, for one year.

Committee reports were filed this week and will be printed and distributed in pamphlet form before the meeting. The new committee on municipal fire

apparatus appointed by President Elliott, will hold its initial meeting March 14-15 in Buffalo. J. N. Sullivan, Utica, N. Y., commissioner of public safety and fire department chief, is chairman.

F. A. Dyck Is New Head of
Pacific Coast Agency Co.

Frank A. Dyck has been appointed president of Pacific Coast Agency Company of San Francisco which serves as Coast general agent of National Reserve and Reserve Underwriters of the Dubuque group. He succeeds W. A. Bartlett, who has resigned. Secretary S. F. Weiser of the Dubuque was in San Francisco supervising the change. Mr. Dyck for the past 10 years has served as state agent for National Reserve in Nebraska and the Dakotas.

American Home Fire Figures

American Home Fire reports assets of \$3,251,513, capital \$1,000,000 and surplus \$1,064,482. Reserves, including \$140,000 for general contingencies, aggregate \$1,187,031.

Great Lakes Syndicate Elects

NEW YORK—Subscribers to the Great Lakes Underwriting Syndicate at their annual meeting here reelected as managers for three-year terms the Aetna Fire, American & Foreign and Connecticut Fire. The American of Newark was reelected for one year. The board of managers reelected all former officers.

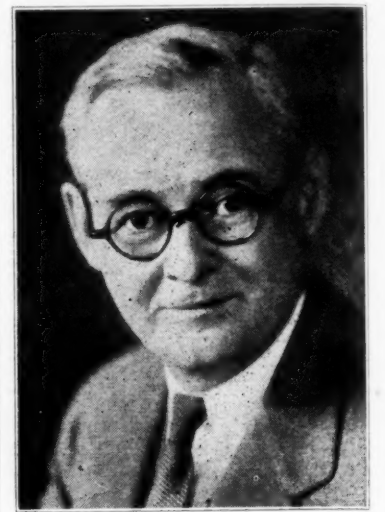
Get a copy of the 1938 Survey Edition of The Accident & Health Review by subscribing now, \$2 a year, 175 W. Jackson Blvd., Chicago.

Illinois 1937 Fire Figures

Net fire premiums written by stock companies in Illinois last year and net losses are reported by the Illinois insurance department. The tabulation below

Company	Net Prem.	Net Losses
Aetna, Hartford.....F	878,831	34,972
Agricultural.....F	1,448,694	54,686
Albany.....F	209,455	50,462
Allemania.....F	330,382	107,486
Alliance.....F	20,778	8,302
Allstate.....F	32,096	13,182
Amer. Alliance.....F	67,469	27,384
Amer. & Foreign.....F	87,278	29,062
Amer. Automobile.....F	151,905	247,408
Amer. Central.....F	200,103	261,306
Amer. Eagle.....F	87,389	20,737
Amer. Equit.....F	71,179	34,604
Amer. Fire, Tex.....F	66,797	45,199
Amer. Home.....F	33,698	15,496
American, N. J.....F	50,436	20,915
Amer. Reserve.....F	343,821	91,467
Amer. Union.....F	96,068	40,161
Anchor.....F	140,343	52,349
Automobile.....F	87,536	36,992
Baltimore Amer.....F	316,820	56,726
Bank and Ship.....F	382,491	149,438
Birmingham, Ala.....F	3,519	1,058
Birmingham, Pa.....F	3,764	1,072
Boston.....F	19,337	6,743
Buffalo.....F	28,733	9,894
Caledonian-Amer.....F	892,263	309,255
California.....F	1,249,458	403,814
Camden Fire.....F	97,725	47,648
Capital, Cal.....F	108,070	48,013
Central Fire.....F	29,021	12,219
Central Surety Fire.....F	14,546	5,560
Cincinnati.....F	33,497	11,851
City of N. Y.....F	344,782	132,288
Columbia, O.....F	901,396	332,690
Commerce.....F	54,278	21,753
Commercial Union.....F	67,459	24,601
Commonwealth.....F	33,684	49,652
Concordia.....F	297,312	121,076
Connecticut.....F	10,332	6,227
County Fire, Pa.....F	11,164	6,254
Detroit F. & M.....F	1,721	1,475
Dixie Fire.....F	42,829	7,163
Dubuque F. & M.....F	125,585	45,095
East & West.....F	173,030	56,272
Eagle Fire, N. J.....F	134,083	63,590
Eagle Fire, N. Y.....F	147,935	67,451
Empire State.....F	17,255	7,833
Employers.....F	19,425	8,182
Equit. F. & M.....F	80,487	25,292
Equity Fire.....F	85,348	32,069
Eur. Sec. F. & M.....F	155,498	67,921
Excelsior.....F	267,825	101,943
Federal.....F	19,352	15,682
Federal Union.....F	22,121	17,761
Fidelity & Guar.....F	166,063	47,046
Fidelity-Phenix.....F	866,691	309,683
Fire Assoc.....F	285,853	184,081
Fireman's Fund.....F	335,789	136,799
Firemen's, N. J.....F	956,067	357,974
First American.....F	301,948	127,667
Franklin.....F	432,858	169,706
Franklin Natl.....F	33,956	8,971
General Exch.....F	42,949	11,561
General, Seattle.....F	198,143	70,384
Gibraltar F. & M.....F	283,834	122,278
Girard F. & M.....F	29,032	9,942
Glens Falls.....F	70,613	27,254
Globe & Republic.....F	1,310,064	719,421
Globe & Rutgers.....F	202,619	65,046
Globe & Rutgers.....F	278,907	85,626
Granite State.....F	4,633	715
Great American.....F	4,751	716
Gulf.....F	21,366	9,429
Hanover.....F	28,118	4,429
Hartford.....F	308,852	92,067
Home F. & M.....F	358,384	97,595
Home, N. Y.....F	299,142	103,563
Homeland.....F	460,274	159,243
Homestead.....F	104,909	47,650
Illinois Fire.....F	128,192	53,267
International.....F	43,009	15,314
Kansas City F. & M.....F	62,888	31,946
Knickerbocker.....F	31,473	15,231
Lumbermen's.....F	36,606	15,629
Manhattan F. & M.....F	515,368	221,948
Maryland.....F	715,668	306,165
Mass. F. & M.....F	77,290	49,728
Mech. & Traders.....F	123,256	70,157
Mercantile.....F	280,838	102,939
National Reserve.....F	404,478	132,945
North America.....F	1,410,483	580,995
Pioneer Fire.....F	2,542,866	982,346
State Farm Fire.....F	66,607	31,607
State of Penn.....F	1,323,888	694,381
State of Penn.....F	3,768,329	1,839,211
State of Penn.....F	29,504	12,890
State of Penn.....F	37,434	15,054
State of Penn.....F	5,249	615
State of Penn.....F	7,706	1,368
State of Penn.....F	51,470	20,192
State of Penn.....F	71,200	21,943
State of Penn.....F	79,123	38,247
State of Penn.....F	88,788	35,542
State of Penn.....F	10,529	7,750
State of Penn.....F	20,692	9,398
State of Penn.....F	69,105	28,466
State of Penn.....F	81,882	31,893
State of Penn.....F	27,282	26,668
State of Penn.....F	34,063	30,026
State of Penn.....F	60,259	21,735
State of Penn.....F	106,333	43,239
State of Penn.....F	35,439	6,594
State of Penn.....F	49,394	31,607
State of Penn.....F	15,407	8,332
State of Penn.....F	20,563	10,452
State of Penn.....F	62,903	21,542
State of Penn.....F	152,994	59,051
State of Penn.....F	99,017	49,802
State of Penn.....F	133,089	58,286
State of Penn.....F	113,838	35,053
State of Penn.....F	131,911	37,395
State of Penn.....F	786,132	288,923
State of Penn.....F	1,330,270	438,427
State of Penn.....F	5,057	524
State of Penn.....F	5,731	692
State of Penn.....F	37,307	15,800
State of Penn.....F	73,264	22,210
State of Penn.....F	90,062	26,467
State of Penn.....F	160,158	54,285

Nominated



S. D. McComb, New York City

The nominating committee of the National Fire Protection Association has recommended S. D. McComb, manager of the Marine Office of America at New York City for president to succeed G. W. Elliott of Philadelphia, general secretary of the Philadelphia chamber of commerce. The election will be held at the annual meeting in Atlantic City, May 9-12.

W. H. Soule, 79, Freeport, Me., a local agent, died of heart disease.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Insurance Attorneys
Birmingham, Alabama

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S. M. Buck Manager Great American in Western Office

(CONTINUED FROM PAGE 3)

ander & Co. of Chicago were made United States managers. Mr. Buck was sent by the National Fire to Chicago to supervise the Transcontinental's fire business, being vice-president of the managing corporation. Mr. Alexander was president of the Continental Casualty and Continental Assurance and the firm had been manager of the automobile department of the Union of Canton. When the National absorbed the business of the Transcontinental and terminated its managerial arrangement with Alexander & Co., Mr. Buck joined the Fireman's Fund group as western manager, succeeding W. A. Chapman, who retired.

Active in Organizations

Not only did Mr. Buck become a force, and a very constructive one, in his own company group, but he has been active in the organization and very helpful. He is vice-president of the Western Underwriters Association, vice-president and director of the Uniform Printing & Supply Co. and director of the Western Adjustment. He has served other organizations very effectively.

Mr. Buck in taking over the western department of the Great American will supervise a business about twice as large as has been under his jurisdiction. The western department of the Great American is well manned by efficient men who have great potential power. Mr. Buck, according to his custom and belief, will strengthen the men in the organization by putting responsibility on them. His right hand man, Mr. Gregory, is a hard worker and very intelligent in his operations. There are three major fields, each supervised by an agency superintendent, they being Carl E. Ingram, who was formerly assistant western manager of the Westchester Fire; G. C. Classen and Oscar A. Chandler.

Excellent Department Heads

The various departments of the western branch have at their head men of experience and ability. A. A. Clark is manager of the farm department; T. G. Dahl has the hail division; C. O. Goodwin, automobile; S. L. VandeVort, marine; J. A. McClelland is general adjuster; G. W. Funk is executive special agent; B. J. Rix has the survey department; E. G. Holmberg is auditor and T. R. Ellis is chief clerk.

The Chicago city office, brokerage and service department is headed by M. E. Moriarty.

Bush in Temporary Charge

Mr. Buck will take charge of the Great American's western department, March 16. C. C. Hannah of Boston, manager of the eastern department and vice-president of the Fireman's Fund group, who has been in Chicago this week in connection with the change, states that the department will be in charge of Assistant Manager Harvey A. Bush until a new managerial appointment is made.

Vice-president A. R. Phillips of the Great American is in Chicago and will remain until Mr. Buck is installed in office. The field men will be called in at an early date to meet the new manager.

Gregory Long With the Company

Mr. Gregory has been connected with the Great American some 36 years. In fact his entire business career has been with the company. He spent three years with the American National of Columbus. It is interesting to know that he started at the home office as an office boy and went into the New Jersey field in 1918, remaining there 10 years when he was recalled to the home office as agency superintendent and later was made executive special agent. He was

elected secretary on his 50th birthday anniversary.

The appointment of Mr. Buck brings two former Texas field men prominent in their work there together. Vice-president A. R. Phillips is a Texas born man and traveled in that state as a field man. He entered the employ of the Great American in Texas in 1912 as special agent. He knew Mr. Buck when both were in Texas. Mr. Phillips since the death of Vice-president Street has given much attention to the western department.

Rock Island Goes on Air

Rock Island, Ill., was publicized nationally as an insurance center in a radio broadcast sponsored by the chamber of commerce. O. E. Aleshire, president Modern Woodmen of Rock Island and for many years prominent in Parker, Aleshire & Co., Chicago class 1 agency; Mrs. Grace W. McCurdy, head of the Royal Neighbors, another fraternal society, and R. D. Coburn, executive vice-president Bituminous Casualty, were speakers. The broadcast was part of a program welcoming Mr. Aleshire and Mrs. McCurdy, both of whom recently were elevated to their present posts.

Flood Is Cincinnati Speaker

Bernard F. Flood, production engineer of the Royal, Columbus, addressed the Cincinnati Fire Underwriters Association on "Production Through Engineering Methods."

Walter Adlard Is Dead

Walter Adlard, former vice-president Massachusetts Fire & Marine and a veteran in the New England field, died at his home in Beverly, Mass. In his earlier years he traveled for the Continental and was a prime favorite with the late Henry Evans, president of that company. One of Mr. Adlard's daughters is the wife of R. R. Clark, United States manager of the Caledonian.

North Dakota Meeting

FARGO, N. DAK.—A meeting of the North Dakota Underwriters Association was held here this week. The number of regional fire schools conducted by the state firemen's association for fire-fighting training and education in insurance methods will be increased from four to five this July. Schools will be at Mandan, Dickinson, Kenmare, Devils Lake and Valley City.

Suburban New York Meeting

The first of five regional meetings planned by the Suburban New York Association of Local Agents will be held at Huntington, L. I., March 14. The purpose of the gatherings is to inform local men more fully as to the work of the Business Development Office, and to secure their intensive cooperation in advancing the interests of stock insurance.

Discuss Compulsory Insurance

TOLEDO, O.—Compulsory automobile insurance was debated by Glenn Fitkin of the George E. Myers Sons Co. and Donald Jackson, Brooks Agency, at a meeting of the Toledo Association of Insurance Agents.

New North America Figures

The North America in its new statement reports assets \$98,065,129 as compared with \$109,301,866 the previous year. The premium reserve is \$21,114,464, capital \$12,000,000, and net surplus \$34,240,005 as compared with \$65,872,181 a year ago.

The Alliance reports assets \$9,856,314, premium reserve \$2,288,173, capital \$1,000,000 and net surplus \$5,639,685.

Philadelphia F. & M. reports assets \$5,846,403, premium reserve \$1,274,934, capital \$1,000,000, net surplus \$3,039,494.

A. M. Wegart, 36, secretary of the Woodland Mutual, Woodland, Wis., died of pneumonia.

Fire and Automobile Results in Canada Reported

OTTAWA, CAN.—Reports to the Dominion insurance department here have been compiled, approximate figures on 1937 Canadian operations being compiled. These show fire premiums written in 1937 increased \$2,143,842, or 5.2 percent, after deducting registered reinsurance, \$43,372,112. Of this amount Canadian companies wrote \$10,212,392, British companies \$16,705,441 and foreign companies \$16,454,279, these amounts being, for Canadian companies, 3.62 percent more than the corresponding amount for 1936, for British companies 1.27 percent more and for foreign companies 4.51 percent greater.

Losses incurred, less registered reinsurance, increased from \$14,450,019 in 1936 to \$15,088,882 in 1937, the average ratio of losses to premiums written being for 1937, 34.79 percent as compared with 35.05 percent for 1936. The ratio for Canadian companies was 31.85 percent, for British companies 33.19 percent and for foreign companies 38.24 percent.

The loss ratios by provinces, with corresponding ratios for 1936 shown in parenthesis were: Alberta, 40.07 (26.24); British Columbia, 44.07 (27.52); Manitoba, 27.78 (25.88); New Brunswick, 33.53 (31.04); Nova Scotia, 47.10 (46.19); Ontario, 31.56 (35.59); Prince Edward Island, 38.92 (28.77); Quebec, 36.77 (44.22); Saskatchewan, 24.69 (25.34); Yukon, 1.48 (37.20).

Net automobile premiums written of all classes amounted to \$16,721,686, an increase over 1936 of \$3,211,255, or 28.29 percent. Losses incurred amounted to \$9,399,123 or 56.21 percent of premiums written, as compared with 56.39 percent in 1936.

These figures and comparisons are somewhat affected by the fact that in 1937 several fire and casualty companies transferred from provincial to Dominion jurisdiction and are for the first time included in the department's tabulations. Fire premiums written by such companies amounted to \$1,321,289, and fire losses incurred \$397,425; automobile premiums and losses \$544,648 and \$280,265, respectively.

Fraud Order Names Cressy

The United States postoffice department has issued a fraud order against the Flying Intelligence Service of Milwaukee. W. J. Cressy was the opera-

tor of this scheme. He was also interested in the Associated Adjusters of Milwaukee. A hearing was held in Washington sometime ago to determine whether a fraud order should be issued against the Associated Adjusters, but a decision for some reason or another has not been handed down. Cressy formerly operated what he called the International Airways Bureau. In April 1936 the postoffice department issued a fraud order against that scheme. The system was to advertise that the bureau could get appointments for men to the United States air corps at Randolph Field.

International's Statement

The annual statement of the International of New York shows assets \$5,925,338, capital \$1,000,000, net surplus \$2,881,324. Sumner Ballard is president.

Mayo Visits Indiana

C. A. Mayo, general agent of the inland marine department of the North British group at the New York office, is spending several days in Indianapolis and vicinity, looking over the inland marine field situation in that state.

Hannah to Have Conference

SAN FRANCISCO—Vice-president C. C. Hannah of the Fireman's Fund group's eastern department at Boston, accompanied by Mrs. Hannah, will arrive here later this week to confer with home office officials. He has been at the western branch at Chicago, arranging for the release of Manager S. M. Buck who becomes western head of the Great American.

Missouri Group to Meet

KANSAS CITY—The Missouri Fire Underwriters Association will hold a meeting March 23 at the Tiger Hotel, Columbia. This is the first meeting since November for the group, members of which will discuss routine field business and BDO.

A loss estimated at \$1,000 was suffered by the H. C. Woodruff agency, Kalamazoo, Mich., in connection with the fire which swept the Howard J. Cooper Dodge and Plymouth Sales agency's garage and salesrooms with a total loss of \$100,000.

The Lakeland Mutual of the Town of Meeme, Manitowoc county, Wis., has been incorporated to write tornado and hail. John H. Kolb, Cleveland, Wis., secretary of the Meeme Mutual Home Fire, is one of the incorporators.

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McLennan Picked in List of Industrial Leaders

Donald R. McLennan, of Marsh & McLennan, Chicago, is among the 12 industrial leaders of the country picked by General Hugh Johnson for portrayal in current "Collier's." The general refers to Mr. McLennan as "an insurance man who dreads publicity but is in my judgment the most respected business man in the middle west."

Kansas City F. & M. Makes Good Showing In Year

KANSAS CITY—The Kansas City F. & M. had one of its most successful years in 1937. President Morton T. Jones reported. Net earnings were practically double 1936, and equal to \$1.75 a share compared to 89 cents a share. Only two accounts, general agencies (where the company cancelled one of its contracts) and the brokerage, showed decreases. The Illinois-Kansas-Oklahoma and Missouri territory showed a 9.31 percent increase in gross premiums, the Kansas City division, 11.9 percent. The company showed a slight increase during the year in surplus to policyholders. The loss ratio (net incurred) decreased from 44.45 percent to 38.61 percent. Management expense, however, was up from 48.67 to 54.54 due to fall off in net volume of 13.01 percent. Net profit from underwriting was \$15,812, from investments, \$86,738. Securities depreciated.

E. W. Elwell, U. S. manager of Royal Exchange, and Mrs. Elwell announce the birth of a daughter.

J. J. Ferguson Is Promoted to Assistant Manager

(CONTINUED FROM PAGE 8)

tion of Credit Men. He is one of the active men in the American Legion, serving as commander of the Beverly Hills post and has been conspicuous in the legion's Illinois department.

Mr. Ferguson's Career

Mr. Ferguson was born in Chicago, June 30, 1896, and his family later moved to Janesville, Wis. He returned to Chicago and entered his insurance career with the Hartford Fire's western department. He continued his studies at the Central College of Commerce. He enlisted in the army and served 22 months overseas. On his return to Chicago he continued his service with the Hartford Fire, resigning in January, 1929, to join the Chicago city office of the Northern of London. He traveled as its Cook county special agent and in 1925 became assistant to Manager A. W. Jenkinson.

His connection with the Fireman's Fund dates from January 1930, when he became Cook county superintendent. In 1934 he was called into the western office as assistant general agent, being appointed general agent last year, now supervising all the Illinois agents and country-wide brokerage.

Teeth in New York Bill

ALBANY, N. Y.—The assembly code committee reports the Rossi bill providing a penalty of misdemeanor for any lender of money secured by real property mortgage to require as a condition precedent to a loan, that the owner of the property place the insurance through any particular broker. The O'Brien bill now before the governor simply forbids an officer of an insurance company to impose such requirement. The Rossi bill would make a criminal out of any person so acting.

John Camlin of Rockford—Leader in His Activities

John H. Camlin, head of the John H. Camlin Company of Rockford, Ill., veteran local agent, long prominent in insurance affairs, died in a hospital at St. Petersburg, Fla., Sunday. He suffered a cerebral hemorrhage Wednesday night of last week after walking from his hotel to a bay front park. He went to St. Petersburg a little over three weeks ago for a vacation with Illinois friends.

Mr. Camlin was one of the chief insurance figures in the Illinois chamber of commerce. He was a former president and later was chairman of the insurance division. His agency represented some 38 fire companies and nine or ten casualty companies. It was established in 1860. Mr. Camlin exerted a very strong influence insurance-wise in his city. His wife died a few years ago. J. J. Beattie is vice-president of the agency and Esther A. Johnson, secretary-treasurer, both having been active in the office for some years.

Funeral services for Mr. Camlin will be held at 2 o'clock Thursday afternoon.

Owe Debt of Gratitude

The companies that belong to the Western Underwriters Association and its predecessor, the Western Union, owe a special debt of gratitude to Mr. Camlin. Rockford was the seat of what might be termed non-union activities. It had the old Rockford Insurance Co., Forest City and State of Illinois, all non-union there. Then the American absorbed the old Rockford and it joined the Western Insurance Bureau as did the Security of New Haven, which established a western department at Rockford. Mr. Camlin represented only Western Union companies and fought for them. In fact it was almost impossible for union companies to secure any business except through his office.

Mr. Camlin's Career

The funeral services will be held at Emanuel Episcopal Church with Rev. G. W. Ridgeway officiating. Mr. Camlin went to Rockford in 1883 virtually a penniless immigrant from England. He served as president of the Rockford chamber of commerce during the war. Camp Grant, one of the army training posts, was established there. He headed the delegation to Washington, D. C., which finally won Camp Grant for Rockford. At the time of his death he was a director or officer in four concerns in addition to his agency.

He was born July 15, 1860, at Gravesend, England. When he was 16 years of age he made two trips to Bombay and Calcutta. Later his parents persuaded him to enter college with the idea of becoming a doctor but after three years at Christ College at Oxford University the travel urge began working again and he came to the United States.

Arrival in Rockford

He arrived in Rockford, Sept. 1, 1883, having \$3 in his pocket. He secured a position as clerk in a carpenter store and after holding other posts he became a clerk in the S. F. Penfield Insurance Agency at \$30 a month. In 1890, seven years after arriving in Rockford he was able to buy out his employer and the John H. Camlin Agency dates from that year. Mr. Camlin was an organizer of a number of enterprises in his city. At one time the Camlin agency represented 57 fire companies and several casualty and surety companies. The North British & Mercantile has been in the agency for 43 years. He founded and was head of the Rockford Savings & Loan Association and he also was an organizer of the Insurance Company of the State of Illinois, which later he sold. He was a member of the Guild of Former Pipe Organ Pumpers. At the time of his death he was a director of the Illinois National Bank & Trust Co.,

the Hess & Hopkins Leather Co., Cotta Transmission Company and Visiting Nurses Association. He was vice-president of the Rockford Wholesale Grocery Company.

Study Insurance On HOLC Foreclosed Property

SAN ANTONIO, TEXAS—When the HOLC began its operation, there was little if any objection to the methods employed concerning the placing of insurance on which loans were made, but since the foreclosures have begun and shown a tendency to assume proportions of importance in certain sections, the placing of insurance on property with the contract management brokers who are engaged in the insurance business has aroused some alarm and resulted in some criticism.

K. C. Perry and A. C. McDavid of the Perry & McDavid agency of San Antonio, have been quite active in opposing a policy which they consider injurious to agents who, prior to the foreclosure, had the insurance on the HOLC controlled property.

They have taken the view that the HOLC is a tax subsidized corporation which is granting unfair advantages to insurance men who are contract management brokers to the detriment of insurance agents not designated as contract management property brokers. Consequently, they have entered protest against the depriving of the local agents of the privilege of competing for business, which as they see it is his just due. They have appealed to the regional and national authorities to be met with the reply that it is but fair to the contract property management broker in consideration of the trouble which is his in handling the property that he should be allowed the small additional compensation which the writing of the risk will give him.

Collins Suffers Stroke

KANSAS CITY—Carl Collins, retired state agent Aetna Fire, was taken to St. Marys Hospital here last week following a stroke of paralysis. He is reported to be recovering.

Moser to Los Angeles

Dan E. Moser has been appointed special agent of the all-risks and inland marine department in southern California by the America Fore.

R. J. Newhouse On Coast

LOS ANGELES—R. J. Newhouse of Newhouse & Sayre, arrived in Los Angeles last week to spend some days here before going on to San Francisco. Finding himself unable to leave town, he wired Vice-president H. J. Toso at San Francisco to come here, which Mr. Toso attempted but found himself waterlogged at Chatsworth for 24 hours. They expect to go to San Francisco March 11.

Engineers of the National Board are making a resurvey of the fire protective, water supply and structural conditions of properties in Fort Worth, Tex.



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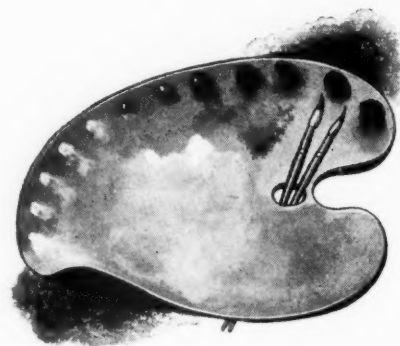
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